



# JOE GQABI DISTRICT MUNICIPALITY

**2018/19**  
Financial Year

VOLUME I



## DRAFT Consolidated Annual Report

Address: Corner Cole & Graham Street  
Barkly East  
9786  
Tel: 045 979 3037  
Fax: 045 971 0251  
Email: [bukelwa@jgdm.gov.za](mailto:bukelwa@jgdm.gov.za)  
Facebook: Joe Gqabi District Municipality Water

## Contents

<b>VOLUME I.....</b>	<b>1</b>
<b>CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY.....</b>	<b>1</b>
1.1 Executive Mayor's Foreword .....	1
1.2 Executive Summary .....	4
1.3 Vision, Mission And Values .....	12
1.4 Population Overview .....	12
1.5 Service Delivery Overview.....	15
1.6 Financial Health Overview.....	17
1.7 Organisational Development Overview.....	18
1.8 Auditor General Report.....	19
1.9 Statutory Annual Report Process .....	19
<b>CHAPTER 2 – GOVERNANCE .....</b>	<b>21</b>
2.1 Political Governance .....	21
2.2 Administrative Governance .....	22
2.3 Intergovernmental Relations.....	22
2.4 Public Accountability And Participation.....	23
2.5 IDP Participation And Alignment.....	24
2.6 Risk Management .....	24
2.7 Anti-Corruption And Fraud.....	25
2.8 Supply Chain Management .....	25
2.9 By-Laws .....	26
2.10 Websites .....	26
2.11 Public Satisfaction On Municipal Services .....	27
<b>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I .....</b>	<b>28</b>
3.1 Water Services Provision .....	28
3.2 Free Basic Services And Indigent Support .....	31
3.3 Grading Of [Sla] Roads .....	31
3.4 Spatial Planning .....	32
3.5 Local Economic Development (Including Tourism) .....	32

3.6 Training And Skills Development.....	38
3.7 Special Programmes And Mainstreaming.....	38
3.8 Municipal Health Services .....	40
3.9 Disaster Management, Fire And Rescue Services.....	43
3.10 Legal Services.....	46
3.11 Human Resources Development.....	47
3.12 Supply Chain Management .....	47
3.13 Financial Services .....	48
3.14 Information Communication Technology.....	49
3.15 Jgdm Organisational Performance Scorecard .....	51
3.16 Jogeda Organisational Performance Scorecard.....	52
 CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II).....	 53
4.1 Employee Matters .....	53
4.2 Capacitating The Municipal Workforce .....	54
4.3 Workforce Profile.....	56
4.4 Recruitment.....	57
4.5 Promotions .....	59
4.6 Terminations .....	60
4.7 Numerical Goals.....	61
 CHAPTER 5 – FINANCIAL PERFORMANCE .....	 62
Appendix A: Acknowledgement Of Delay In Consolidated Report From Ag.....	63
Appendix B: Report Of The Audit Committee For The Year Ended 30 June 2019 .....	64
Appendix C: Council Committees .....	65
Appendix D: Committee Attendance By Councillors .....	66
Appendix E: Declarations Of Interest.....	68
Appendix F: Third Tier Management Structure .....	70
Appendix G: Municipal Functions .....	71
Appendix H: Treatment Of The Three Largest Assets Acquired 2018/19 FY .....	73
Appendix I: Long Term Contracts .....	74
Appendix J: Cogta-Ec Indicators .....	75
Appendix K: Capital Projects Performance.....	79
 <b>Volume II .....</b>	 <b>80</b>

## Chapter 1: Executive Mayor's Foreword and Executive Summary

### 1.1 EXECUTIVE MAYOR'S FOREWORD



As we reach this reporting period, we are immensely pleased with our programme and objective of creating a better life for all residents in the District. A better life for our residents translates to sustainable and liveable prosperous communities. These goals are imperative in the fight against poverty, unemployment and inequalities which are bedevilling our communities. For us to succeed as a government of the people in addressing these social ills a strong and active civil society and business together with functional intergovernmental relations is indispensable.

As guided by the National Development Plan, Provincial Development Plan and the 2016 local government mandate, the District Municipality is unwaveringly pursuing Council's community socio-economic development commitments as adopted for the five year IDP of this term.

Top amongst these priorities are:

- Building on achievements made in delivering basic services to our communities in terms of ensuring universal access, quality and reliability of service
- Strengthening community participation and local democracy in order to put people first in all our strides
- Delivering basic services in a more efficient and effective manner
- Strengthening and improving on good governance and a refocus to ensure attainment and maintenance of clean audit outcomes
- Ensuring sound financial management, with a particular focus on improving revenue collection and reducing outsourcing
- Building a capable institution by attracting and retaining highly skilled and professional local government administrators
- Create an enabling environment that strengthens the local economy to grow our gross value added (GVA) to the Provincial and Gross Domestic Product (GDP) of

the country and create the required job creation, with a special focus on the Youth and unemployed graduates

- Support and promote SMMEs and emerging businesses through facilitation and empowerment programmes
- Development and strengthen risk identification and management framework in order to wage an intensive campaign and fight against fraud and corruption

The Council proceeded adequately with the implementation of the IDP, budget and the SDBIP. Several improvements were observed during the year under review. The implementation of the water and sanitation programme was enhanced through the involvement of the Joe Gqabi Economic Development Agency (JoGEDA). The number of people with access to the sanitation programme has seen major improvement. The major challenge that remains is the continuously declining grant funding from government. This is significant as the District relies on this source of funding for infrastructure development and operations programme. Constant engagements and initiatives that are geared towards improving our ability to collect revenue from services is getting the necessary attention. Buy-in from our communities is a major success driver.

The District implements a successful programme of public participation which sought to encourage the public to have meaningful input into the decision-making process and oversight. The District and its local municipalities undertook various community and stakeholder participation initiatives on ongoing basis. The Executive Mayor's Community consultation programme with the community was conducted in all local municipalities in the past financial year. Public participation engagements took place between October and November 2018 in the year under review. A state of the District Address was also held in Ugie in the Elundini local municipality. Local municipalities also consulted their communities throughout the past financial year. Traditional leaders, CDWs, ward committees, stakeholders and sector departments also participated in community engagement sessions.

Issues identified through these engagements ranged from matters of District, local municipalities and other spheres of government's competence. Key issues included lack of/interruptions of water and sanitation services, bad state of roads linking villages (Senqu and Elundini local municipalities), electrification backlogs (Senqu and Elundini local municipalities), high youth unemployment, rising crime rate and inaccessibility of government services such as SASSA, Home Affairs, Economic Development, etc.

As I conclude and reflect on the vision and future actions of Council, the District prides itself over the achievements that have been made over the period under review. Our main challenge going forward is the resolution of the water and sanitation issues, electrification, rural roads backlogs as well as economic development in our District which affect many in our communities. The partnership that has been initiated with the Netherlands government, which is known as the Orio Programme, will continuously be strengthened. The programme

has noble intentions of providing water to the rural areas of the Elundini local municipality. This programme has been delayed due to the international country to country protocols that must be observed.

As part of speeding-up the solution of water and sanitation backlogs in the Elundini local municipality, the Council initiated a front-loading agreement in partnership with the Development Bank of Southern Africa (DBSA). This programme has raised my hopes and wishes for a speedy and comprehensive resolution of the Backlogs in our area.

Going forward, National and Provincial government support should prioritise the newly merged Walter Sisulu local municipality (WSLM) as the municipality that requires urgent financial support in order to deal with unintended consequences of the amalgamation of two debt-ridden erstwhile municipalities, taking into account that the current debt owed by WSLM to ESKOM is just over R200 million.

A strong and resilient cooperation between the District, communities, Council and Administration continues to see our municipality achieve its planned socio-economic development goals towards a trajectory of improved quality of life for our communities. The business community, civil society and our strategic partners' participation and influence in our journey is pivotal.

---

**Alderman Z.I. Dumzela**

Executive Mayor

Joe Gqabi District Municipality

Date: \_\_\_\_\_



---

## 1.2 EXECUTIVE SUMMARY

The compilation and publication of an annual report ensures transparency and accountability for the fiscal and non-fiscal performance including other financial affairs of municipalities and municipal entities through in-year and Annual Reporting. Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, service delivery agreement with any municipal entity, performance agreements of senior management and officials, in-year reports covering financial and non-financial information, such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others, annual financial statements, annual performance report and the Annual Report.

This Annual Report is aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report have similar and consistent information which facilitates understanding and enables the linkage between plans and actual performance. The above has provided guidance and direction in terms of the process and outcomes of the 2018/19 annual reporting requirement. Performances highlighted in this report incorporate a reflection on how the District has performed against the IDP, Budget and the SDBIP as approved by Council and the Executive Mayor.



From the period 2015/16 financial year to 2018/19 financial year the JGDM provided access to a basic level of potable water to 2 792 households. Access to basic level of potable water has remained at 70 474 h/h which represents 74.1% from the 2015/16 financial year to the 2018/19 financial year. This achievement is expected to drastically improve when the Orio (the funders) programme has commenced. The programme is aimed at providing access to a basic level of water to 107 villages in the Elundini local municipality. The District

remains committed to addressing the remaining backlogs with regard to access to a basic level of water. Backlogs are found in the rural areas of the Elundini and Senqu local municipalities.

With regard to ensuring provision of good quality portable water for household consumption, compliance levels [in terms of SANS241] significantly improved from 93% in 2015/16 financial year compliance to 95% in the 2018/19 financial year against the compliance norm of 97%. Though the compliance levels are falling slightly lower than the norms and standards, the District outperformed a number of municipalities nationally and in the Province, including the metros. As far as the sanitation service is concerned, the District has been performing extremely well. The District overachieved its target of 2 000 h/h by 3 435 h/h during the year under review. This meant that the number of households with access to the sanitation service increased from 62 166 h/h (65%) to 85 311 h/h which represents 89.7% access.

The provision of water, especially in villages of the Elundini local municipality has been dependent on the grant funding that was committed by the Netherlands government (the Orio programme) following successfully application and motivation by the District for funding. The availability of this funding is subject to the requirements of the procurement by the Netherlands government and those of the District. The double approval process has caused a number of delays in the implementation of the programme leading to frustrations on the side of the District, Elundini local municipality and communities in that area.

Maintenance is the foundation of safeguarding a sustainable life cycle of an asset. An effective preventative maintained programme and good organisational practices can reduce the occurrences of breakdown and emergency maintenance. The implementation of planned maintenance initiatives result in a reduction in operating expenditure and optimal management of spares and staff. The District is experiencing a number of challenges with regard to the old and aged infrastructure which is almost beyond useful life. Thus, in response to this challenge the District initiated a process of developing an Infrastructure Operations and Maintenance Plan. The development of the Plan started in the 2018/19 financial and will be concluded by September 2019.

With regard to the capital projects performance, the District received various grant allocations for infrastructure development/ and upgrades, the table below shows the grant allocations for 2018/19 FY and expenditures to date. Municipal Infrastructure Grant (MIG) is the capital grant allocation. The Eastern Cape Provincial Treasury Grant is a re-imbursive capital grant. The Water and Sanitation Infrastructure grant (WSIG) is used for both operations and capital and is not solely capital. The District implemented eleven (11) projects across the district [Elundini LM – four projects, Senqu LM - 4 Projects and Walter Sisulu LM - 3 Projects].



DBSA frontloading loan with MIG funds is one of the interventions that were implemented to deal with service backlogs in the Elundini local municipality. The loan secured for JGDM for 2019/20 and 2020/21 financial years is R 145 002 404. The allocation for the current financial year is R72 501 201.50 as distributed in the table below. The expenditure to date is R 2 270 162 (3.1%). The municipality is implementing two (2) projects across the District in which two projects are implemented in Elundini LM.

With regard to the ECPT Drought Relief grant, the District was allocated R 40 000 000 in 2018/19 FY, and because the grant is a schedule 6, it is transferred to the ECPT, and therefore implemented according to government departments' financial year cycle. ECPT applied for a roll-over of R 14 000 000 to 2019/20 financial year. The expenditure in this report is reflected R35 929 814 (89.8%) by June 2019.

The municipality was allocation was confirmed to the District towards the end of the financial year in the 2018/19 financial year. This was a drought relief mitigation grant which was part of drought averting within the district. The municipality was allocated R 7 673 000 for 2018/19 financial year. The municipality managed to spend R 371 679 by the end of June 2019, and this was due to the fact that the grant was confirmed late in the financial year. This meant that the municipality had to apply for roll-over for the unspent portion of the grant. The unspent portion is R 7 301 320 which if the roll-over application is approved will be the budget for 2019/20 financial year. The expenditure at the end of 2018/19 financial year stood at R2 487 053.

The District aims to provide effective and efficient disaster risk management, fire and rescue services which will be achieved through responding and addressing all reported fire and emergency incidents within the District. The performance on this function can be affected by the fact that other calls may be hoax calls as telephone calls are not tapped. This poses a challenge to the District as it has a potential to derail services to genuine areas of incidents that require responses. The District is able to respond to all reported fire incidents albeit due to the vastness of the District and inadequacy of resources affect the timing of responses. The inability of local municipalities to assume ownership of their share in fire fighting services put additional pressure on the strained resources and capacity of the District. Initiatives to address this matter have been ongoing.

In terms of the function on Municipal Health Services (MHS), the District performs various functions, which include monitoring of various inspections ranging from waste, health premises, public premises, funeral parlour, etc. During this reporting period the District continued to monitor these establishments and waste management, including illegal dumping. EHPs were trained and workshoped on the performance of the MHS function with specific focus on the implementation of by-laws.

The district MHS has seen its performance recognized nationally. As a best practice Provincially and Nationally, the District has been invited by various institutions to share lessons learned. Stakeholders in the Eastern Cape and Free State have engaged the District on this aspect. The MHS bylaws of the Joe Gqabi District have been adopted by SALGA National as national generic by-laws. Empowering and addressing critical public health issues will lessen the burden of disease which if not addressed will have major financial implications and costs for the government. Effective and resourced MHS will improve the preventative measure and leads to happy and healthy communities.

The District is an implementing agent for the Department of Roads and Public Works (DPW). The function is performed at proclaimed Provincial roads in the Walter Sisulu local municipality falling under the jurisdiction of the former Joe Gqabi Region of DPW. The routine roads maintenance activities, as executed by the District in line with the Service Level Agreement (SLA) between the District and the DPW have been covering a three year period. The District met the annual targets of kilometers of gravel roads to be graded in which 2 800km were planned and 2 562km were achieved with a slight variance of 8.5% due to inclement weather.

Over the years, commencing in 2016 the District created a number of job opportunities. The job opportunities are created through various means, including the Community Works Programme (CWP) and Expanded Public Works programme (EPWP). Other EPWP job opportunities were created through employment of unemployed graduates and through implementation of capital projects. This programme has been implemented by the District over a number of years now emanating from the decision taken at the municipal strategic planning session. In the 2016/17 financial year the District created 888 jobs, in 2017/18 financial year 614 job opportunities were created. In the 2018/19 financial year 920 job opportunities were created. This amounts to a total of 2 422 job opportunities created from 2016/17 financial year and 2018/19 financial year. The achievement in this target is affected by a number of projects being completed and some being delayed. However, in the current period, contractors have been appointed for multiyear projects and there will be no delays going forward which means that more projects should be reported.

The site visits to the MMHF and RAFI pilot were undertaken in March 2019. Two sites (Mcambalala and Hlankomo) where maize and soybeans are planted were visited. The Mcambalala site has got maize planted in 113ha and a few other hectares having soybean. The Hlankomo site has got only soybean planted which totals to 88ha when combined with the portion in Mcambalala. JGDM allocated an amount of R4.2 million rand for the programme to plant maize (113ha) and soybean (88ha) as a 201 ha pilot project implemented by JoGEDA in Elundini Local Municipality using direct planting, for the benefit of communal farmers in the area. Direct planting is a technique used in modern agriculture to ensure that minimal disturbance is done to the soil, thereby protecting it from exposure to extreme weather conditions that reduce fertility overtime. This leads to a build up of fertility

and moisture content of the soil which is in line with the requirements of sustainable agriculture.

An amount of R300 000.00 was set aside to implement the programme for the benefit of communal livestock producers to improve quality of their stock in order for them to be able to participate and compete in formal markets where commercial producers are in charge. Forty Dohne Merino rams were purchased and allocated to Regions 24 and 25 of the National Wool Growers Association (NWGA) in Mt Fletcher and Sterkspruit respectively. Two Breeding Schemes in Sterkspruit with over 60 shearing sheds received 20 rams and 4 shearing sheds in Mt Fletcher received 5 rams each. These rams can service up to 1 200 ewes during the mating season.

The institution has developed and approved a Work Skills Development Plan. The plan identifies training needs aligned to the scarce skills and IDP implementation processes. JGDM has a skills development function whose role is to provide accredited tuition, trainings and workshops to employees of all municipalities, Councillors and the community members. The programme of SMME development within the District has taken a multi-pronged approach. Training of small and emerging business people is a programme of the District that is implemented through JoGEDA. JoGEDA had a partnership with the University of Stellenbosch with an objective of building capacity of SMMEs. In the current year, the training of SMMEs targeted 26 businesses who all graduated after successfully completing the programme. The beneficiaries of this programme are distributed across the District. It is important to have businesses ready to initiate or receive support in order to grow the local economy and address the high unemployment challenge.

The District implemented various training plans which focused on ABET, financial management, management development programme and leadership, municipal governance, specialised technical skills, life skills, legal, LED and planning, Occupational Health and safety, administration, project management and computer literacy.

JoGEDA's effective operationalisation and execution is dependent on the dynamic interplay and inputs from a variety of stakeholders. For the 2018/19 development of strategic partnerships with Sector Departments and State Owned Entities has been prioritised in order to leverage on technical skills, agricultural involvement as well as infrastructure development in the district.

JoGEDA receives its mandate from the Joe Gqabi District Municipality (JGDM), acting through the Executive Mayor and Council. It interacts with the office of Municipal Manager to whom the JoGEDA undertakes compliance reporting in respect of its performance scorecard. In respect of strategic and operational matters the management is accountable to the JoGEDA's Board of Directors which controls and assumes fiduciary duty for the institution. JoGEDA co-ordinates its activities and catalytic interventions, with the support

of JGDM and also engages with public sector departments and private sector companies for the implementation of the projects and other development programmes.

JoGEDA's effective operationalisation and execution is dependent on the dynamic interplay and inputs from a variety of stakeholders. In the financial year of 2018/19 the agency has been actively involved in strategic partnerships with Sector Departments and State Owned Entities and this has been prioritised in order to leverage on technical skills and funding. Such strategic partnerships have been established and agreements signed with institutions such:

- Chris Hani Co-operative Development Centre and Elundini Co-operative Development Centre - partnership agreement covers the development of agricultural projects and co-ordination of co-operatives for agri-business development (RAFI).
- University of Stellenbosch – continued partnership agreement covers the development of SMME's through business development programme,
- SMME Development support from ECDC, DEDEAT, Standard Bank, IDC, etc - Sponsorship partnership.

The Agency has strategically positioned itself to undertake multi-functional development programmes or initiatives involving multiple stakeholders and partners.

Over the past few years the District has experienced severe cashflow challenges. It is however through the various initiatives and intervention that have been progressively implemented over the years in order to deal with financial sustainability of the District municipality. The municipality receives various grant allocations for infrastructure development/ and upgrades, the table below shows the grant allocations for 2018/19 FY and expenditures to date. Municipal Infrastructure Grant (MIG) is the capital grant allocation. The Eastern Cape Provincial Treasury Grant is a reimbursive capital grant. The Water and Sanitation Infrastructure grant (WSIG) is used for both operations and capital and is not solely capital.

Revenue enhancement is one of the critical focus areas for the District. The revenue collection and enhancement strategy was developed and adopted by Council. Initiatives being implemented range from Water Demand Management and Conservation programme and improved billing. The billing improvement programme focuses on efficient smart metering for both consumer units and the bulk infrastructure. These initiatives will lead to efficient use of the finite and scarce water resource. The District collected 28% of the billed revenue in the 2018/19 financial year. The target for collections in the current year (2019/20FY) is set at 40%. Pre-paid water installations and credit control are being prioritised in the 2019/20 financial year to increase revenue collection and improve water conservation. Awareness programmes to encourage communities to commit to payment for municipal services are being prioritized in the current year. Bulk meters are also being implemented with an objective of reducing unaccounted for water.

There has been significant reduction in wasteful and fruitless expenditure which enhances the revenue of the institution. To limit payment of interest charged by creditors for late payment of accounts, the District has strict controls on overdue accounts. All confirmed invoices are paid within the norms and standards.

In compliance with the MSCOA implementation requirements, the District has implemented a new financial system following the passing of an mSCOA resolution. The mSCOA implementation plan was also approved. The CFO and budget Manager were appointed as the mSCOA champions who are leading the implementation phases of mSCOA with the assistance and practical hands-on support of the mSCOA oversight committee which is constituted by the critical functionaries within the District together with Top Management. The Internal Audit Function is responsible for assessment of the progress made on planning, design, development, testing and implementation of MSCOA against milestones as defined by the National Treasury and those milestones as identified in the JGDM mSCOA project plan.

Council established a Municipal Public accounts Committee (MPAC) in November 2011, which meets quarterly. One of the responsibilities of the MPAC is to ensure that Council and its structures are convened according to the Council calendar. Due to its stability, all Council structures meet as planned. With regard to the frequency of meetings, the Council meets quarterly. The Council has sat thirteen times in the 2018/19 financial year. The Mayoral committee meets monthly. The Standing committees meet monthly. Furthermore, for all the above-mentioned structures, special meetings are convened as and when necessary. The Municipal Oversight Committee (MPAC) meets quarterly as per approved Constitution. Various training initiatives to capacitate the MPAC were implemented in the past financial year and these initiatives are implemented continuously. The MPAC through assistance from the internal audit function has managed to assist in the improvement of financial controls and performance information in view of matters raised by the AG.

War rooms have been established throughout the District, with the exception of two wards in Walter Sisulu local municipality and one ward in Elundini local municipality. The functionality of war rooms is a challenge in all local municipalities due to various issues. Required intervention on the functionality of the war rooms can be summed up as follows:

- Review of working tools for war room secretaries
- Training of municipal officials and government Departments officials
- Training of ward committee members, Councillors and CDWs to enhance integration into municipal planning system
- Finalise audit of war rooms' functionality, including infrastructure
- Launching of the municipal and District war room
- Facilitation of the development of ward operational plans through the war-rooms.
- Revive war rooms and support capacity building and orientation

- Improve operational budget for war rooms

At the District Municipality, the Local Labour Forum has been established in terms of the bargaining Council agreement. The forum meets monthly and four meetings were held during the last financial year. The District has two unions operating: South African Municipal Workers Union (SAMWU) and IMATU. These unions are also present in all the local municipalities. In both cases, there are no full time shop stewards. The Local Labour Forum (LLF) is functional and meetings are held quarterly and subcommittee meetings are held bi-monthly.

The District has continued to maintain its rating by the Auditor General on the audit results. The District received a clean audit in 2015/16 financial year and in 2017/18 financial year the audit result was a clean audit. The 2018/19 financial year audit is underway. The District municipality through the cooperation and camaraderie leadership provided by both the political and administrative arms continue to be committed to successfully implement Council priorities in order to realize an improved quality of life for the communities of the District. Support and assistance from various players, stakeholders and strategic partners in the service delivery and governance arena is critical in order to realize our objectives and goals.

---

**ZA Williams**

Municipal Manager

Joe Gqabi District Municipality

Date:



### 1.3 VISION, MISSION AND VALUES

#### **Vision:**

An improved quality of life for all residents

#### **Mission:**

The mission of the District is to 'Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality, promoting corporate governance and building the capacity of government and communities within a sustainable environment'.

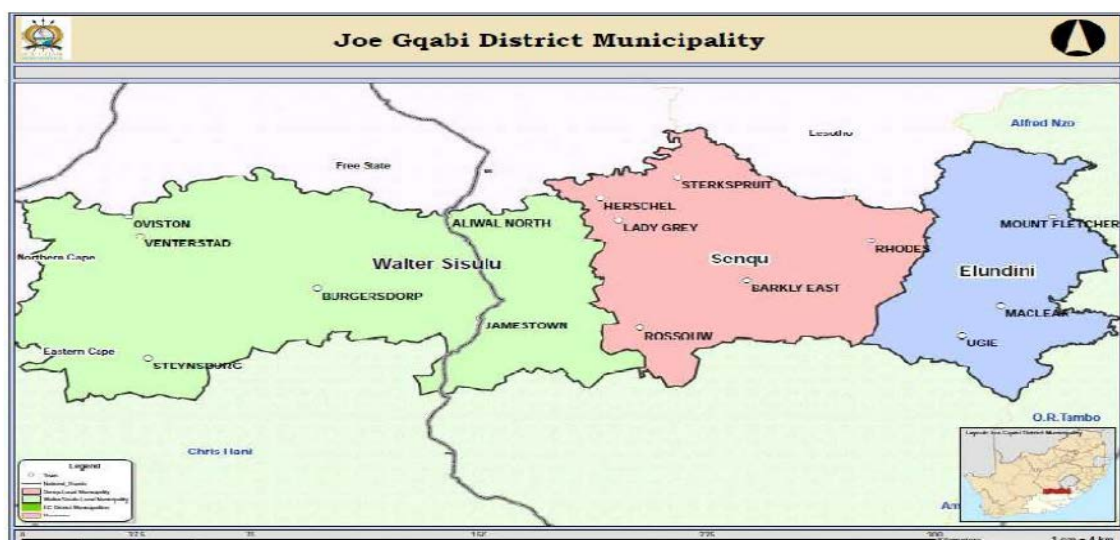
This mission is premised on the following key elements:

- Stimulate the economy and fight poverty
- Meet basic needs and improve service delivery quality
- Enabling the building of Capacity
- Grow tourism and related businesses
- Grow pro-poor and labour intensive programmes
- Grow agriculture and downstream industries
- Promote sustainable development

### 1.4 POPULATION OVERVIEW

#### 1.4.1 The Locale

The Joe Gqabi District Municipality (JGDM) is one of the six District Municipalities in the Eastern Cape Province. The District Head Office is located in Barkly East. Following the amalgamation of the Maletswai and Gariep local municipalities in 2016, the District consists of three local municipalities: Elundini, Walter Sisulu and Senqu local municipalities (see figure 1).



The area and towns of each municipality is shown in table 1 below.

**Table 1: Area and towns per municipality**

Municipality	Area	Towns
Elundini LM	5 065 km <sup>2</sup>	Maclear, Ugie, Mt Fletcher
Walter Sisulu LM	13 269 km <sup>2</sup>	Burgersdorp, Aliwal North, Jamestown, Venterstad, Steynsburg, Oviston
Senqu LM	7 329km <sup>2</sup>	Sterkspruit, Lady Grey & Barkly East, Rossouw, Rhodes & Herschel
District wide (JGDM)	25 663 km <sup>2</sup>	All of the above

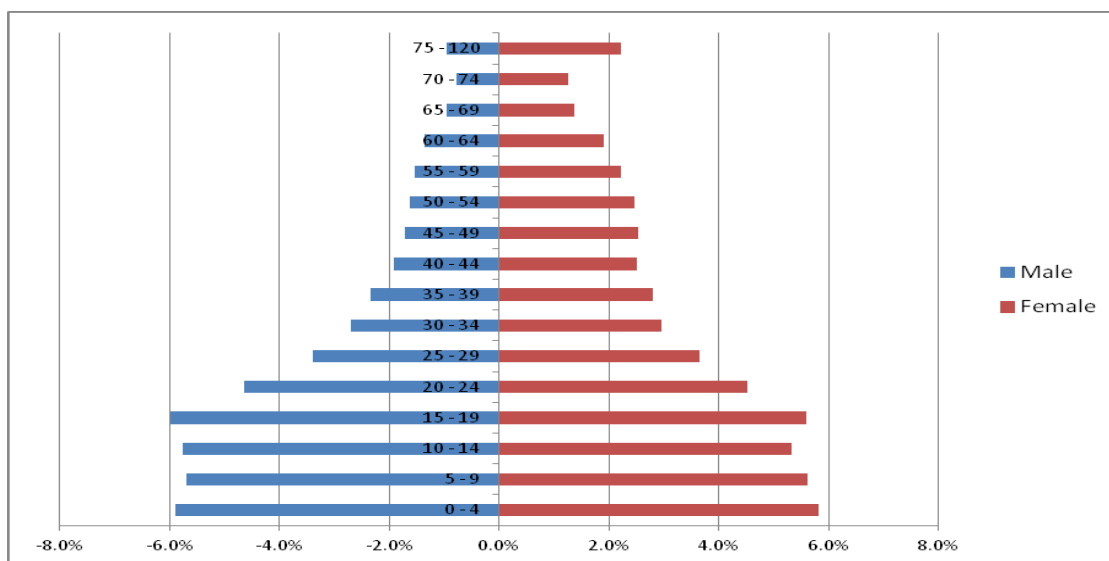
As per Statistics South Africa censuses of 2001 and 2011 together with the 2016 Community Survey, the population of the District slightly increased from 341 750 in 2001 to 349 768 in 2011 and 372 192 in 2016 as shown in table 2.

**Table 2: Population and total households**

MUNICIPALITY	POPULATION			NUMBER OF HOUSEHOLDS		
	2001	2011	2016	2001	2011	2016
JGDM	341 750	349 768	372 192	84 835	97 775	95 107
Elundini	137 394	138 141	144 929	33 209	37 854	35 804
Senqu	135 734	134 150	140 720	33 904	38 046	35 597
Walter Sisulu	68 621	77 477	87 263	17 722	21 875	23 706

*Source: StatsSA 2001, 2011 and 2016*

The population pyramid below shows the distribution of various age groups in the District. This pyramid provides a clear depiction of age and sex distribution of the District population.



Source: StatsSA 2011

**Figure 1: Population pyramid**

The pyramid shows the distribution of various age groups in the District. This pyramid provides a clear depiction of age and sex distribution of the District population. In terms of the stages of demographic transition model, the District pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. Moreover, the pyramid shows that the population is generally older on average indicating a generally longer life expectancy, low death rates and low birth rates. Other demographic dynamics are depicted in the tables below.

In 2016, Joe Gqabi District Municipality had a population density of 14.5 per square kilometer and it ranked highest amongst its peers. The region with the highest population density per square kilometer was the Nelson Mandela Bay with a total population density of 646 per square kilometer per annum. In terms of growth, Joe Gqabi District Municipality had an average annual growth in its population density of 0.65% per square kilometer per annum. In terms of the population density for each of the regions within the Joe Gqabi District Municipality, Elundini local municipality had the highest density, with 28.9 people per square kilometer. The lowest population density can be observed in the Walter Sisulu local municipality with 6.48 people per square kilometer.

	Joe Gqabi	Eastern Cape	National Total	Joe Gqabi as % of province	Joe Gqabi as % of national
2016	373,000	7,010,000	55,700,000	5.3%	0.67%
2017	377,000	7,080,000	56,500,000	5.3%	0.67%
2018	381,000	7,160,000	57,400,000	5.3%	0.66%
2019	385,000	7,240,000	58,100,000	5.3%	0.66%
2020	389,000	7,310,000	58,900,000	5.3%	0.66%
2021	393,000	7,380,000	59,600,000	5.3%	0.66%
Average Annual growth 2016-2021	1.06%	1.05%	1.37%		

Source: IHS Markit Regional eXplorer version 1156

## 1.5 SERVICE DELIVERY OVERVIEW

The provision of Water Services is a function of Water Services Authorities in South Africa. JGDM is designated as a water services authority and has the executive authority to provide water services in its area of jurisdiction, either directly by itself or through arrangements with intermediaries as envisioned in legislation and water services national policies. Water Services Planning is therefore undertaken within the District with the assistance of the PMU unit and specialist service providers.

The Water Services Development Plan (WSDP) is a holistic and comprehensive infrastructure assessment and delivery plan to ensure that services are delivered as per the mandate of the local authority. A WSDP is a statutory plan covering a 5-year planning horizon for water services. The WSDP also addresses institutional and financial aspects of the local authority, including the assurance of service delivery viability. JGDM adopted a WSDP initially in 2008. Like the IDP, it is reviewed annually and as such, another review of the plan was undertaken during the 2018/19 financial year.

The JGDM has also started the development of water and sanitation implementation plans. These plans provide a comprehensive analysis of the status quo in each service area, including information on backlogs, provision of free basic services and service levels in the municipal area. The basic capital financing mechanism for water services is the Municipal Infrastructure Grant (MIG), allocated by the national government in terms of a medium-term financing framework that covers a three-year window.

Maintenance is the foundation of safeguarding a sustainable life cycle of an asset. An effective preventative maintained programme and good organisational practices can reduce the occurrences of breakdown and emergency maintenance. The implementation of planned maintenance initiatives result in a reduction in operating expenditure and optimal management of spares and staff. Well defined planned maintenance schedule should include all asset types e.g. mechanical, electrical, civil and other infrastructure components required to support service delivery. The District is experiencing a number of challenges

with regard to the old and aged infrastructure which is almost beyond useful life. Thus, in response to this challenge the District initiated a process of developing an Infrastructure Operations and Maintenance Plan. The development of the Plan started in the 2018/19 financial and will be concluded by September 2019.

The JGDM operates and maintains all water and sanitation bulk services in its area of jurisdiction. Works that were previously operated by contracted WSP's are now competently operated by JGDM staff. Refurbishment and rehabilitation is undertaken as resources allows. The DM relies on funding programmes of the DWA and COGTA and utilises these whenever opportunities avail themselves. Water Conservation and Demand management (WCDM) is a flagship and continuous intervention that requires external funding support to realize sustainable gains from the programme. The JGDM has Incident Management Protocols to guide interventions in both water and sanitation services to deal with deviations in the running of services that may have adverse effects on the health of the population and the environment as required by the BDS and GDS.

The urban centres of JGDM are provided with waterborne services. The legacy components of these systems are old and have supported to a large extent the roll out of services to all the areas of the urban nodes. This, combined with advanced age, makes this asset base vulnerable as it has been stretched to capacity. A comprehensive GRAP compliant asset register has been prepared and this will provide the start of a documented evidence-based assessment of the state of the infrastructure from a physical and a financial perspective and for budget preparation guidelines. The age of the legacy systems is in excess of 50 years. The state of old infrastructure means that capital projects focus on refurbishment and improvements to existing services, availability and quality instead of new household connections.

The municipality has to balance the imperatives of new services rollout with the maintenance of the existing asset base. The solution will require an asset investment policy and strategy to balance the needs of new infrastructure including operations and maintenance of existing assets.

From the period 2015/16 financial year to 2018/19 financial year, the JGDM provided access to a basic level of potable water to 2 792 households (h/h). Access to basic level of potable water has remained at 70 474 h/h which represents 74.1% from the 2015/16 financial year to the 2018/19 financial year. This achievement is expected to drastically improve when the Orio (the funders) programme has commenced. The programme is aimed at providing access to a basic level of water to 107 villages in the Elundini local municipality. The District remains committed to addressing the remaining backlogs with regard to access to a basic level of water. Backlogs are found in the rural areas of the Elundini and Senqu local municipalities.

With regard to ensuring provision of good quality portable water for household consumption, compliance levels [in terms of SANS241] significantly improved from 93% in 2015/16 financial year compliance to 95% in the 2018/19 financial year against the compliance norm of 97%. Though the compliance levels are falling slightly lower than the norms and standards, the District outperformed a number of municipalities nationally and in the Province, including the metros. As far as the sanitation service is concerned, the District has been performing extremely well. The District overachieved its target of 2 000 h/h by 3 435 h/h during the year under review. This meant that the number of households with access to the sanitation service increased from 62 166 h/h (65%) to 85 311 h/h which represents 89.7% access.

#### Detailed household breakdown of serviced areas:

Service	2015/16 FY (Actual)	2016/17 FY (Actual)	2017/18 FY (Actual)	2018/9 FY (Actual)	Total (2015 – 2019)	2019/20 FY (Plan)	Overall Access (h/h) T= 95107	% access (2019)
Access to water	2792	0	0	0	2792	500	70 474	74.1%
Access to sanitation	6454	6190	5065	5435	23 144	3000	85 310	89.7%

The provision of water, especially in villages of the Elundini local municipality has been depending on the grant funding that was committed the Netherlands government (the Orio programme) following successfully application by the District for funding. The availability of this funding is subject to the requirements of the procurement by the Netherlands government and those of the District. The double approval process has caused a number of delays in the implementation of the programme leading to frustrations on the side of the District, Elundini local municipality and communities in that area.

## 1.6 FINANCIAL HEALTH OVERVIEW

Revenue enhancement is one of the critical areas for focus for the District. The revenue collection and enhancement strategy, which was developed and adopted by Council was implemented to a greater extent. Initiatives range from Water Demand Management and Conservation programme and improved billing. The billing improvement programme focuses on efficient smart metering for both consumer units and the bulk infrastructure. These initiatives will lead to efficient use of the finite and scarce water resource. The District collected 28% of the billed revenue in the 2018/19 financial year. The target for collections in the current year (2019/20FY) is set at 40%.

There has been significant reduction in wasteful and fruitless expenditure which enhances the revenue of the institution. To limit payment of interest charged by creditors for late



payment of accounts, the District has strict controls on overdue accounts. All confirmed invoices are paid within the norms and standards.

In compliance with the MSCOA implementation requirements, the District has implemented a new financial system following the passing of an mSCOA resolution. The mSCOA implementation plan was also approved. The Internal Audit Function is responsible for assessment of the progress made on planning, design, development, testing and implementation of MSCOA against milestones as defined by the National Treasury and those milestones as identified in the JGDM mSCOA project plan.

The municipality receives various grant allocations for infrastructure development/ and upgrades, the table below shows the grant allocations for 2018/19 FY and expenditures to date. Municipal Infrastructure Grant (MIG) is the capital grant allocation. The Eastern Cape Provincial Treasury Grant is a reimbursive capital grant. The Water and Sanitation Infrastructure grant (WSIG) is used for both operations and capital and is not solely capital.

The District municipality following an approval through a Council Resolution secured a front loading loan of R145 002 404 for the 2019/20 and 2020/21 financial years. The allocation for the current financial year is R 72 501 201. This funding will assist in alleviating water and sanitation challenges in the Elundini Local Municipality in Maclear and Ugie.

The municipality was allocated R40 000 000 in 2018/19 through the ECPT Drought Relief grant. As the funds were not fully spent, ECPT applied for a roll-over of R 14 000 000 to 2019/20 financial year, and the municipality will continue to report on the grant until March 2020. The District municipality spent an amount of R35 929 814 (89.8%) by June 2019. In the 2019/20 financial year the municipality is implementing two projects in the Walter Sisulu municipality (Burgersdorp Plantation Sump and Boreholes which involves construction of plantation sump, pump station and boreholes and access paved road to the WTW, and construction of 6ML concrete storage Reservoir at Burgersdorp WTW which involves 6ML storage reservoir) and one project in the Senqu local municipality (Lady Grey- Sub-Project 4/ Additional storage and ground water supply which involves construction of boreholes with pump houses, connected pipelines and three storage reservoirs) at a budgeted amount of R87 354 553.

For the year under review, the District municipality was allocated an amount of R7 673 000 under the drought relief mitigation grant as part of averting drought disaster within the district. The municipality only managed to spend R 371 679 (5%) by the end of June 2019, and this was due to the fact that the grant was confirmed late in the financial year. This meant that the municipality had to apply for roll-over for the unspent portion of the grant. The unspent portion is R7 301 320, which will be the budget for 2019/20 financial year.

---

## **1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW**

The Municipal Manager and his Top Management team of five Section 56 Managers administratively led the institution. The Chief Operations Office and the Manager Water Service Provision report directly to the Municipality Manager and are part of the Top Management Team. All Top Management positions were filled. Top Management is responsible for preparation and submission of agenda items to Council and ensuring implementation of resolutions of Council. Top Management is comprised of all the Section 56 managers and it meets monthly. The monthly meetings flow into the preparation of the agenda for the standing committees, which then flow into the Mayoral committee and into the Council agenda. Seven Section 56 Managers, including the Municipal Manager, have signed performance agreements with the institution and are reviewed annually in line with the IDP and budget.

The District has an objective to fill all budgeted and funded vacant posts. The backlog of positions that remained vacant in this regard stood at 21.5% in the 2018/19 financial year. The majority of posts were not filled due to the re-engineering of the organogram to meet current needs. The District will continue with processes to determine the future of the roads maintenance agreement with the Department of Transport and finalise key water and sanitation sections in the 2019/20 FY, in which the employment of the Roads section staff rely.

At the District Municipality, the Local Labour Forum has been established in terms of the bargaining Council agreement. The forum meets monthly and four meetings were held during the last financial year. The District has two unions operating: South African Municipal Workers Union (SAMWU) and IMATU. These unions are also present in all the local municipalities. In both cases, there are no full time shop stewards. The Local Labour Forum (LLF) is functional and meetings are held quarterly and subcommittee meetings are held bi-monthly.

---

## **1.8 AUDITOR GENERAL REPORT**

The District has continued to maintain its rating by the Auditor General on the audit results. The District received a clean audit in 2015/16 financial year and in 2017/18 financial year the audit result was a clean audit. The 2018/19 financial year audit is underway. The AG has exceeded the timeframe for reporting back to the municipality on the result of the audit process. As a result all financial information relating to the Annual Financial statements and the Annual Performance Report are omitted in this report.

---

## **1.9 STATUTORY ANNUAL REPORT PROCESS**

The District municipality complied with the key deadlines as far as the annual reporting process is concerned. The IDP budget and Process Plan was developed in consultation with stakeholders and adopted by Council in August 2018. Subsequent to the tabling of the draft SDBIP together with the IDP and Budget documentation in March and June 2018, the Executive Mayor approved the final SDBIP in June 2018 and implementation commenced in July 2018. Monthly financial reports (Section 71 reports) and quarterly SDBIP reports (Section 52 (d)) reports were tabled before the Audit Committee, Council and MPAC in all four quarters. At year end the Annual Financial Statements and Annual Performance Reports were compiled and submitted to the AG albeit AFS were submitted 30 minutes late to unforeseen IT challenges which were later addressed.

## CHAPTER 2 – GOVERNANCE

The JGDM has an executive mayoral system. The District has five standing committees which are chaired by portfolio Councillors who head different portfolios ranging from community services and planning, corporate services, finance and technical services. These standing committees report to the Mayoral Committee that is chaired by the Executive Mayor. The Executive Mayor reports on the progress of implementation of Council resolutions to Council which is chaired by the Speaker of Council. The political component consists of the Executive Mayor, the Speaker, and 24 Councillors.

Council established a Municipal Public accounts Committee (MPAC) in November 2011, which meets quarterly. One of the responsibilities of the MPAC is to ensure that Council and its structures are convened according to the Council calendar. Due to its stability, all Council structures meet as planned.

With regard to the frequency of meetings, the Council meets quarterly. The Council has sat thirteen times in the 2018/19 financial year. The Mayoral committee meets monthly. The Standing committees meet monthly. Furthermore, for all the above-mentioned structures, special meetings are convened as and when necessary. The Municipal Oversight Committee (MPAC) meets quarterly as per approved Constitution. Various training initiatives to capacitate the MPAC were implemented in the past financial year and these initiatives are implemented continuously. The MPAC through assistance from the internal audit function has managed to assist in the improvement of financial controls and performance information in view of matters raised by the AG.

### 2.1 POLITICAL GOVERNANCE



The District is a category C municipality with a mayoral executive system. As guided by Section 80 (1) of the Structures Act, the municipal council appointed in terms of section 79 of the Structures Act, five (5) Standing Committees to assist the Executive Mayor for effective and efficient performance of any of the Executive Functions. The Standing Committees are headed by the Portfolio Committee Chairpersons. The Strategic and Governance Standing Committee which is chaired by Cllr U. Hlathuka oversees all the functions allocated to the Office of the Municipal Manager, Chief Operations

Office and the Institutional Support and Advancement Directorate.

## 2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager and his Top Management team of five Section 56 Managers administratively lead the institution. The Chief Operations Office and the Manager Water Service Provision report directly to the Municipality Manager and are part of the Top Management team. All Top Management positions were filled. Top management is responsible for preparation and submission of agenda items to Council and ensuring implementation of resolutions of Council. Top Management is comprised of Top Management Team and its meetings sit monthly. The monthly meetings flow into the preparation of the agenda for Council Committees.



## 2.3 INTERGOVERNMENTAL RELATIONS

An intergovernmental relations framework policy was developed and implemented as a means to strengthen relations between all spheres of government. The District has established various intergovernmental structures. All clusters meet quarterly though issues relating to unavailability of stakeholders remain as a challenge for some clusters.

The District Mayors' Forum (DIMAFO) was established as a Section 79 Committee that is made up of the political leadership of municipalities. DIMAFO has evolved to include all Sector Departments. DIMAFO deals with issues relating to budget and IDP planning and implementation, communications, IGR, Special Programmes as well as internal audit functions and statutory compliance issues. In this way, it serves to promote inter-municipal planning and coordination between the District and local municipalities.

---

## 2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

The IDP preparation process requires an extensive consultation and participation of communities, all role players and key stakeholders in order to achieve shared understanding of the municipal development trajectory and alignment. The main aim of public participation is to encourage the public to have meaningful input into the decision-making process (IDP and budget) and oversight. Thus, through public participation engagements communities were provided the opportunity to participate in the municipal planning, implementation and reporting processes. The District continued to undertake various community and stakeholder participation initiatives during the year under review. The Executive Mayor's Community consultation programme with the community was conducted in all three local municipalities. Local municipalities have also consulted their communities throughout the past financial year and plans to conduct other community engagement sessions are afoot. The District municipality, traditional leaders, CDWs, ward committees, stakeholders and sector departments also participate in community engagement sessions.

Issues identified through these engagements range from matters of the District, local municipality and other spheres of government competence. Thus, a multi-stakeholder integrated and approach is necessary in dealing with the identified challenges. Key issues include lack of/interruptions of water and sanitation services, bad state of roads linking villages (Senqu and Elundini local municipalities), electrification backlogs (Senqu and Elundini local municipalities), high youth unemployment, rising crime rate and inaccessibility of government services such as SASSA, Home Affairs, Economic Development, etc.

To enhance public participation throughout the area, the District established a Public Participation Forum in June 2019. The forum has met twice since its establishment. The District public participation forum is composed of public participation managers/coordinators of the District and local municipalities, COGTA, Office of the Premier, Communications Managers of local municipalities and the District Municipality, IDP Managers of local municipalities and the District municipality and CDW Coordinators. The role of the forum, *inter alia*, is to:

- Discuss issues and challenges pertaining to public participation
- Be a learning and information sharing platform
- Provide guidance on implementation and roll-out of public participation
- Consolidate public participation status quo reports
- Identify public participation matters for the attention of the District Speakers Forum



## 2.5 IDP PARTICIPATION AND ALIGNMENT

Participation in the IDP and budget processes of the municipality has improved over time. The attendance of the DIMAFO was relaxed to allow sector Departments to participate in all meetings. IGR clusters were established and functionality is constantly being monitored and improved, though some functionality challenges remains in some clusters. Sector Departments, municipalities and other District stakeholders participated in the municipal planning activities. Participation forums included the IDP and Budget Representative Forum, Traditional Leaders Forum, Initiation Forum, Moral Regeneration Movement, Farmers Forum, Collaborative Forum (LED), SPU Forum, District Women Economic Empowerment Forum, Transport Forum, Infrastructure Forum (Provincial), Water and Infrastructure Forum, Disaster Management Forum, Waste Forum, Free Basic Services Forum, District Support Team Forum, Anti-poverty Forum (Provincial), Community Works Programme Forum, etc. These forums have ensured that the priorities of the municipality are informed and influenced by inputs and representations from various stakeholders.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

## 2.6 RISK MANAGEMENT

All entities face uncertainty and the challenge for management is to determine how much uncertainty it is prepared to accept as it strives to enhance stakeholder value. With regard to risk management within the District, risk registers were developed and are reviewed annually. Action plans are reviewed quarterly. A risk committee was established and is functional with four meetings held during the year under review. The committee evaluates progress on the action plans. The top five risks for the institution are as follows:

- Social economic status of local area

- Governance
- Regulatory compliance
- Staff turnover
- Implementation of systems and processes

During the year under review, the municipality conducted an annual risk management workshop which assisted in the creating staff awareness and successful development of a risk register which is monitored quarterly. The Risk Management Committee was in place and functional and this continued to assist the municipality in the areas of fraud and corruption. Risk management meetings occurred quarterly and this helped the municipality in keeping the risk register up-to-date and relevant in terms of the status of risks, effectiveness of intervention measures and identification of emerging risks to update the risk libraries.

---

## **2.7 ANTI-CORRUPTION AND FRAUD**

This Anti-Corruption Strategy and Fraud Prevention Plan have been developed as an expression and commitment fight corruption. These plans are reviewed annually before the start of each financial year in May. It is also an important contribution to the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

This policy is established to facilitate the development of controls, which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified. This policy is also established to give effect to the various legislative instruments as described in the previous section. The policy was reviewed on an annual basis. The implementation of the policy is effective as detected situations are dealt with. All identified cases or allegations of fraud and corruption are immediately pursued and investigated with a zero-tolerance attitude and sanctions. Audit Committee Recommendations are set out in Appendix G.

To strengthen its systems, the District municipality also established a Disciplinary Board. This is a committee established in terms of Regulation 4 of the MFMA Regulations to deal with cases of financial misconduct. It investigates cases and reports to Council and for Council to consider and implement its recommendations.

---

## **2.8 SUPPLY CHAIN MANAGEMENT**

The Supply Chain Management (SCM) function of the District is centralized under the Finance Department. This was implemented with a view of strengthening the capacity and

ability of the District to comply with the MFMA and National Treasury Regulations. All these mechanisms and systems seek to ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The District has an approved SCM policy which is reviewed annually. Key policy objectives of the policy include the following:

- The Policy includes empowerment goals and objectives which strive towards ensuring that historically disadvantaged individuals (HDIs) are presented an opportunity to participate and function in the mainstream of the economy.
- A supplier development programme is also under consideration.

## 2.9 BY-LAWS

By-laws Introduced during 2018/19 FY					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation*	By-Laws Gazetted* (Yes/No)	Date of Publication
MHS BY-LAWS		YES	July 2017, November 2017, December 2017, January 2018, February 2018, March 2018	YES	11-Mar-19

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes	No
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (2017/18 FY)	Yes	
The annual report (2018/19 FY) to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/19 FY) and resulting scorecards	Yes	
All service delivery agreements (2018/19 FY)	N/A	
All long-term borrowing contracts (2018/19 FY)	N/A	
All supply chain management contracts above a prescribed value (rates basis) for 2018/19 FY	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018/19 FY	No	

Contracts agreed in 2018/19 FY to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in 2018/19 FY	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during 2018/19 FY	Yes	

Currently all the information required is and as it becomes available placed on the website for public attention. The relevant staff were exposed to various training initiatives which were intended to continue to improve compliance.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The District municipality has engaged with communities on matters of satisfaction and feedback on municipal services through various public participation mechanisms. One of the intended outcomes of the Executive Mayors community engagement meetings is to enable the municipality to receive community feedback on the standards and levels of services being provided to the community. Key community service delivery issues relate to backlogs that still exist in areas of water, sanitation, electricity and the bad condition of rural link roads. In addition, issues around planned and unplanned water service interruptions, sewer spillages and vandalism on some of the municipal infrastructure have been highlighted by the communities. The various infrastructure development and refurbishment projects, including the front-loading loan are some of the concerted efforts being implemented by the District to address the identified challenges. The municipality intends to conduct formal public satisfaction surveys in a three-year frequency in order to solicit input and service delivery improvement alternative measures from the communities themselves.

## **CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)**

---

### **3.1. WATER SERVICES PROVISION**

The provision of Water Services is a function of Water Services Authorities in South Africa. JGDM (JGDM) is designated as a water services authority and has the executive authority to provide water services in its area of jurisdiction, either directly by itself or through arrangements with intermediaries as envisioned in legislation and water services national policies. Water Services Planning is therefore undertaken within the DM with the assistance of specialist service providers.

Water services planning is done through the Water Services Development Plan (WSDP). There is an improved coordination around water planning both internally and externally. There has been improvement from utilisation of service providers to an internal capacity building drive. This is a learning curve process that will later deal with improving efficiencies. The water services planning teams have first hand information on the status and the challenges on each plant. Over the year under review, the District municipality has observed improvements in how water services planning is approached and implemented.

The District has progressed to focus more on inspection of water and waste water systems to have an improved understanding of the District water systems. Development and analysis of quarterly reports were also achieved to ensure consistent and systematic monitoring of service operations. This, process, which was started in the 2018/19 financial year will enable the District to deal with challenges that relate to water stoppages and sustainable availability of water services. To this effect, during the year under review the District successfully developed water and sanitation services guidelines and standards with the objective of standardising infrastructure development and its related equipment throughout the District. This was all planned and executed internally, which is a major shift from over-reliance on consultants. Internal consultations on this process were conducted. The public and stakeholder consultation sessions are planned to be undertaken in the 2019/20 financial year. The municipality anticipates that the water and sanitation services guidelines and standards document will be completed and approved by June 2020.

From the period 2014 to 2018 the JGDM provided access to a basic level of potable water to 8 573 households. The state of old infrastructure means that capital projects focus on refurbishment and improvements to existing services, availability and quality instead of new household connections. Access to basic level of potable water improved from 69% in 2014 to 82% in 2017. The District remains committed to addressing the remaining backlogs with regard to access to a basic level of water. Backlogs are found in the rural areas of the Elundini and Senqu local municipalities.

The District has been progressively improving the compliance levels with the SANS241 standard. There has been an improvement of 0.1% between the 2017/18FY and 2018/19FY from 94.5% to 94.6%. The compliance target in this area is 97%. The achievement is affected by failures due to a variety of reasons including instances of aging infrastructure, pipe bursts, illegal connections and vandalism. The Municipality is implementing various mitigation actions, which include implementation of District Wide Reservoir Cleansing and Pipe Flushing Programme, review bylaws to have greater legal control over illegal connection, implementation of infrastructure upgrading, public awareness and implementation of staff capacity building where necessary.

The provision of water, especially in villages of the Elundini local municipality has been depending on the grant funding that was committed the Netherlands government (the Orio programme) following successfully application by the District for funding. The availability of this funding is subject to the requirements of the procurement by the Netherlands government and those of the District. The double approval process has caused a number of delays in the implementation of the programme leading to frustrations on the side of the District, Elundini local municipality and communities in that area.

Maintenance is the foundation of safeguarding a sustainable life cycle of an asset. An effective preventative maintained programme and good organisational practices can reduce the occurrences of breakdown and emergency maintenance. The implementation of planned maintenance initiatives result in a reduction in operating expenditure and optimal management of spares and staff. Well defined planned maintenance schedule should include all asset types e.g. mechanical, electrical, civil and other infrastructure components required to support service delivery. The District is experiencing a number of challenges with regard to the old and aged infrastructure which is almost beyond useful life. Thus in response to this challenge the District is in the process of developing an Infrastructure Operations and Maintenance Plan. The development of the Plan started in the 2018/19 financial year and will be concluded by September 2019.

The municipality receives various grant allocations for infrastructure development/ and upgrades, the table below shows the grant allocations for 2018/19 FY and expenditures to date. Municipal Infrastructure Grant (MIG) is the capital grant allocation. The Eastern Cape Provincial Treasury Grant is a reimbursive capital grant. The Water and Sanitation Infrastructure grant (WSIG) is used for both operations and capital and is not solely capital.



<b>GRANT</b>	<b>REVENUE (2018/19FY)</b>	<b>(2018/19FY) EXPENDITURE (30 June 2019)</b>	<b>% EXPENDITURE</b>
Municipal Infrastructure Grant	R 151,815,279.00	R 153,873,622.15	101%
Eastern Cape Provincial Treasury	R 28,583,000.44	R 30,411,762.35	106%
WSIG	R 67,346,000.00	R 60,997,413.84	91%
<b>GRAND TOTAL</b>	<b>R 247,744,279.44</b>	<b>R 245,282,798.34</b>	<b>99%</b>

The loan secured for JGDM for 2019/20 and 2020/21 financial years is R145 002 404. The allocation for the current financial year is R 72 501 201 to implement two (2) projects in the Elundini local municipality as depicted in the table below.

**Table 1: Elundini LM front loading projects**

<b>Project Name</b>	<b>Project Description</b>	<b>Allocation</b>	<b>Progress to date</b>	<b>Challenges</b>	<b>Mitigation plans</b>
Bulk Sanitation Infrastructure Upgrade For Maclear: Phase 3B	The Works comprises of the construction of a bulk gravity collector sewer which will gravitate to the new Brickfield's Pump Station, from where the wastewater is pumped to the existing Wastewater Treatment Works via a new 350mm Ø rising main.	R24 503 384	25% Complete – The project designs have been completed and now the project is on tender stage. Tender has closed on 25 <sup>th</sup> March 2019, and JGDM is busy with Evaluation of Tenders	The delays on finalising the procurement of contractors is starting to delay the planned progress in the project.	None
Maclear Water Treatment and Distribution Upgrade	Civil Engineering Services for Maclear Water Treatment and Distribution Upgrade in the town of Maclear and surrounding townships	R47 997 817	25% Complete – The project designs have been completed and now the project is on tender stage. Tender has closed on 25 <sup>th</sup> March 2019, and JGDM is busy with Evaluation of Tenders	The delays on finalising the procurement of contractors is starting to delay the planned progress in the project.	None
<b>TOTALS</b>		<b>R72 501 202</b>			

Towards the promotion of integrated and coherent sector planning, the District established water forums and these continued to functional throughout the review. The work of this

forum was enhanced by the Disaster Management Forum through shared planning and reporting, especially at times of anticipated or actual drought situations. Critical departments such as the Department of Human Settlements, Water and Sanitation formed part of the forum engagements. The sessions focused on compliance, planning and reporting matters. Through the forum all stakeholders are abreast in terms of water planning and operations. The Human Settlements Department shares its planning with the District municipality and this has improved resource allocated and service delivery.

The Participation of municipalities in attending the forum engagements is a matter that is being improved. To ensure maximum participation the District water forum will be rotating to all municipalities prior to District approval process of planning matters in the District forum to deal with subsequent financial plans and projects. The finalisation of the WSDP has also improved. The District is in a process to develop mutual aid agreements with neighbouring municipalities as parts of the District fall within the OR Tambo and Alfred Nzo District municipality. Some of the developed infrastructure shifted ownership due to boundary redetermination process which requires close cooperation by Water Services Authorities. Political leadership is leading the process of community engagement through the ambit of the forums.

---

### **3.2 FREE BASIC SERVICES AND INDIGENT SUPPORT**

The provision of free basic services (FBS) is an established national policy and this is strengthened through fiscal support for the provision of basic services. Free basic services are intended for households that are deemed indigent, either through a means test or through deeming provisions. Means testing is generally the preferred mode of identification. Indigent households are required to register and meet the criteria for indigence. The LM's in JGDM have indigent policies and registers in place and implement FBS. The JGDM has also developed an indigent policy to cover the services that all within its executive authority. Water and Sanitation is the key service provided by JGDM. The policy is reviewed annually. The indigent register is required to be renewed annually due to the mobility of persons and regular changes in the economic situation of households. However, cleansing and verification of the indigent data remains a challenge. Other government stakeholders are being engaged with a view of facilitating sharing of information.

The FBS package for water and sanitation serves as an income support programme and improves the human capabilities of households. The FBS level for water is 6 000ℓ/household/month. The District has also established a Free Basic Services forum with the purpose of coordinating and integrating the delivery of FBS in the District in an efficient and effective manner.

---

### **3.3 GRADING OF [SLA] ROADS**

The District is an implementing agent for the Department of Roads and Public Works (DPW). The function is performed at proclaimed Provincial roads in the Walter Sisulu local municipality falling under the jurisdiction of the former Joe Gqabi Region of DPW. The routine roads maintenance activities, as executed by the District in line with the Service Level Agreement (SLA) between the District and the DPW have been covering a three-year period which has now been altered to be year-to-year. This poses a challenge in terms of enabling the District to perform multi-year planning on implementation and human resource matters. The District met the annual targets of kilometers of gravel roads to be graded in which 2 800km were planned and 2 562km were achieved with a slight variance of 8.5% due to inclement weather.

---

### **3.4 SPATIAL PLANNING**

The District has up to date spatial development strategies and plans. The Spatial Development Framework for the District, Senqu and Elundini local municipalities have been developed and adopted by the respective Councils and these SDF are compliant with the Spatial Planning and Land Use Management Act of 2013 (SPLUMA).

In order to achieve the development aspiration outlined in the District SDF, some of the issues that the District has had to deal through the IGR processes is the development and management of land where portions of towns are under the custodian of traditional leaders as well as the development of land in which water services resources are not able to meet demand thereby constraining development. With a view to arrest this situation, the District is continuing with bulk infrastructure development for water services planning longer than a five year horizon.

For purposes of consideration and decision on land use and development applications within the District all three local municipalities took Council resolutions deciding to establish and join a District Planning Tribunal. This was borne out of a realization that the introduction of SPLUMA required municipalities to have the requisite capacity to establish all the required institutional mechanisms and arrangement to deal with land use and development applications. Subsequent to an assessment that was conducted by the Department of Agriculture, Rural Development and Agrarian Reform, it became clear that it was not feasible for each local municipality to have its own planning tribunal but a District Tribunal would be preferred. The District Council approved a Resolution to establish a Joe Gqabi District Planning Tribunal in 2015. The Tribunal members have been trained on various occasions and processes are at final stages to ensure its first sitting. The last training took place on MPT in September 2019.

---

### **3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)**

Economic development is not an end in itself but one important means by which people strive to enhance their well-being. There are several reasons why local government is indispensable to the process of economic development, beginning with their traditional roles of ensuring a secure and stable environment in which economic development can take place. The District municipality has realized that local government can go well beyond the traditional roles of providing roads, water supply, sanitation services, waste management, etc and move to helping existing enterprises to survive and expand, foster new enterprises, arrange workforce development programmes, promote research and development, and take action to ensure that marginalized members of their communities have access to decent livelihoods. Local economic development is a necessary complement to efforts at the national scale.

As its local economic development (LED) arm, the District established the Joe Gqabi Economic Development Agency (JoGEDA) with a mandate to deliver on the economic outcomes envisioned by the District Council. During the Agency's establishment a number of catalytic high impact projects were identified by Council (Aliwal Spa Resort; Maize meat hub feedlot; Senqu Industrial Park; Small Town Reneration; Elundini Middle Income Housing; SMME Development; Agri-park and support agri-businesses; Rafi Implementation; and Senqu Marketing Board). In the current period of review, JoGEDA targeted the realisation of the following:

- Establishment of more strategic partnerships with the state institutions and agencies to support JoGEDA with technical expertise,
- Sourcing of requisite funding and development of feasibility studies and viable business plans for identified catalytic projects,
- Ensuring that at least one of the catalytic projects gets off the ground.

The organisation's annual performance plan highlights the key performance areas (KPA's) which are measured through specific key performance indicators (KPIs) and hereunder is an analysis of JoGEDA's performance against its KPIs for the financial year 2018/19.

**Aliwal Spa Resort:** During the financial year of 2018/19 financial year the agency there have been discussions between Walter Sisulu local Municipality and JoGEDA in contemplating various operational partnerships and business models that will be adopted in the event that a private partner is secured. The JoGEDA has appointed a successful company that will head the commercialisation of the Aliwal Spa and within their proposal the gambling entertainment is the draw card for the investment to be viable.

Some of JoGEDA's significant milestones and achievements attained so far include the following the facilitation of the gambling license as required by the investor. JoGEDA is engaging the Eastern Cape Gambling Board to source the full gambling casino license or the possibilities of obtaining a Bingo license.

**Maize Meat Hub Feedlot:** The purpose of the maize-meat hub Feedlot in Elundini Local Municipality is to increase income and employment for beneficiaries by developing the red meat value chain in a region which holds competitive advantage within livestock production. Some of JoGEDA's significant milestones and achievements attained so far include the following:

- The Social Facilitation Process has been done and four meetings have been held this quarter, the District Municipality worked much closer with the Agency during this period. This has gone a long way into allaying the fears of ownership of the project amongst the farming community
- After the natural disaster of the July 2018, where gale force winds uprooted poles and the roof structure of the feeding troughs, where mobile offices were also overturned, much of that damage has been completely restored by the Department of Rural Development and Land Reform through the National Agricultural Council of Marketing
- Currently there is a drive to clear out all remaining infrastructure bits and pieces that may have been part of the previous project on that site, with the view of launching the project
- The company secretary is currently working on a draft Lease Agreement that is to govern the relationship between the Co-op and the Agency

**Senqu Industrial Park:** The Senqu Plastic Manufacturing centers around PVC pipe manufacturing and by making use of plant and machinery which was donated to JoGEDA by Senqu Local Municipality. This project is being positioned to become a competitive and self-sustainable manufacturing factory which creates employment in the region. JoGEDA seeks to attract both the private and public sectors to invest and participate in the development of the project. Some of JoGEDA's significant milestones and achievements attained during the period under review include the following:

- JOGEDA is exploring a partnership with TCE Plastics. The establishment of the reconfigured plastic project would yield a successful local manufacturing plant that would produce product which they will buy for distribution and more.
- Application for funding has been submitted to DEDEAT for LRED
- Letter of intent to fund the project was received from the IDC

**Small Town Regeneration:** Senqu Local Municipality has developed Small Town Regeneration Strategy. This feasibility study was developed for the town of Barkly East, Lady Grey and Sterkspruit, to identify which town has a potential for commercial development. The feasibility study that exists reveals a compelling business case for the development of a Community Shopping Centre in Sterkspruit. The agency made an application to be given a parcel of land in order to implement the recommendations of the study. The municipality identified a site which unfortunately was invaded by the community.

The project then delayed. The Senqu Local Municipality is resolving the matter with affected parties through a legal route to prohibit the invaders in occupying the land illegally.

The agency then made an application for erf 101 including adjacent sites to this parcel of land. The municipality also identified 15 Erven that the development agency could develop, however some of these sites were not under the books of the municipality. Some of JoGEDA's significant milestones and achievements attained during the 2018/19 financial year include the appointment of a successful bidder and an offer of R48 million for mixed use development investment for the project.

**Elundini Middle-Income Housing:** JoGEDA has sought technical assistance from the Housing Development Agency to assess developmental merits of the site in Ugie. The Elundini Local municipality gave the entity developmental rights to develop middle-income housing on a 15.6 hectars land in Ugie. For the 2018/19 financial year, the agency signed development agreement for technical support and will work to develop the housing project in Ugie. Some of JoGEDA's significant milestones and achievements attained so far include the following:

- The project steering committee has been established
- The procurement of the panel of professional service providers (PSP) has been completed

**SMME Development:** JoGEDA seeks to incorporate skills development into the catalytic projects implemented by the Agency. The Agency approached institutions of higher learning such as University of Stellenbosch Business School – Enterprise Development Unit to partner with them in training of local entrepreneurs. Some of JoGEDA's significant milestones and achievements attained so far include the following:

- Last period under review marked the first intake in the programme which had 26 participants of which all graduated
- The agency has managed to recruit 23 applicants to join the programme for the 2019/20 financial year period

**Agri-Park and Support Agri-Business:** In the 2018/19 financial year, the development Agency aimed to support the agricultural sector in enhancing economic growth through development of competitive and sustainable agri-businesses in the District, with a special focus on market access for cooperatives and SMME's. Some of JoGEDA's significant milestones and achievements attained so far include the following:

- Coordination of the implementation of the Rural Agro-Industries and Financial Initiative (RAFI), which is a programme intending to strengthen agricultural development and co-operation between South Africa and Argentina through shared programmes and projects – and in turn to benefit rural co-operatives and farmers of the region.

- About 30 000Ha of agricultural land was made available by the JGDM for the implementation of the RAFI project. The land is situated in Lower Tsitsana, Mt Fletcher in Elundini Local Municipality
- Out of the 30 000Ha, 50% was allocated for Soybean production, 20% for maize, 12% for sunflower and sorghum. The remaining 18% was allocated for wheat, barley and lucerne.
- Harvesting has commenced on the project.

**RAFI Implementation:** The site visits to the MMHF and RAFI pilot were made on Wednesday, 27 March 2019 as arranged by JoGEDA for their board members to check the status of the pilot. The visit started in the Maize Meat Hub where the board was shown the facility and informed of the challenges encountered including vandalism and theft that have taken place. Two sites (Mcambalala and Hlankomo) where maize and soybeans are planted were visited. The Mcambalala site has got maize planted in 113ha and a few other hectares having soybean. The Hlankomo site has got only soybean planted which totals to 88ha when combined with the portion in Mcambalala. Both these crops were progressing well with rangers in each site preventing livestock from getting into the fields as they were not fenced. DRDAR has however delivered fencing material for these site though it is currently believed that it is not enough to complete both sites. Counting of all the material is being done to properly make estimates of the actual amount of material needed for both sites so that a process of requesting the balance can also begin as soon as possible.

The site visits to the MMHF and RAFI pilot were undertaken in March 2019. Two sites (Mcambalala and Hlankomo) where maize and soybeans are planted were visited. The Mcambalala site has got maize planted in 113ha and a few other hectares having soybean. The Hlankomo site has planted soybean on 88ha when combined with the portion in Mcambalala. JGDM allocated an amount of R4.2 million rand for the programme to plant maize (113ha) and soybean (88ha) as a 201 ha pilot project implemented by JoGEDA in Elundini Local Municipality using direct planting, for the benefit of communal farmers in the area. Direct planting is a technique used in modern agriculture to ensure that minimal disturbance is done to the soil, thereby protecting it from exposure to extreme weather conditions that reduce fertility overtime. This leads to a build up of fertility and moisture content of the soil which is in line with the requirements of sustainable agriculture.

**Senqu Marketing Board:** The JGDM, its agency JoGEDA and Senqu Local Municipality (SLM) have recognised an opportunity to create platform for local businesses and municipalities to publicize notices, market local businesses, disseminate information, etc. This outdoor electronic advertising billboard should operate 24/7 - 365 days. In the 2018/19 financial year, the development Agency facilitated the launch of the marketing board. Some of JoGEDA's significant milestones and achievements attained so far include the following:

- A Request for Expression of Interest was issued and an appointment of a service provider was made

- Appointment has been done; the agency is waiting for the part payment from the parent municipality in order to proceed with the project.

In the financial year under review, out of a total of 41 set targets, 36 were achieved. Detailed on variances and corrective action are contained in appendix. The development agency managed to achieve 87.8% of its set targets.

Strategic Goals Per Programme	No. of Planned targets	No. of targets Achieved	No. of targets Not Achieved
Serve as primary and principal vehicle for economic development & investment within district	22	17	5
To establish a well-resourced and well-staffed institution that supports the agency's strategy	6	6	0
To establish effective governance procedures and efficient management systems	9	9	0
To ensure financial sustainability	4	4	0
Total achievement	41	36	5
Performance scored card	87.8%		

**Livestock Improvement Programme:** An amount of R300 000 was set aside to implement the programme for the benefit of communal livestock producers to improve quality of their stock in order for them to be able to participate and compete in formal markets where commercial producers are in charge. Forty Dohne Merino rams were purchased and allocated to Regions 24 and 25 of the National Wool Growers Association (NWGA) in Mt Fletcher and Sterkspruit respectively. Two Breeding Schemes in Sterkspruit with over 60 shearing sheds received 20 rams and 4 shearing sheds in Mt Fletcher received 5 rams each. These rams can service up to 1 200 ewes during the mating season. Given the constantly improving quality of wool produced by communal wool producers in the District, this initiative is meaningfully contributing to ensure that these producers continue to improve their productivity. This is further shown in the statistics from NWGA for 2017/18 financial year on wool production that, JGDM as a third largest communal wool producer after Chris Hani and OR Tambo, goes on to fetch the highest price than these two top producing Districts when it comes to wool sales due to its high quality.

**EPWP job creation:** Over the years, commencing in 2016 the District created a number of job opportunities. The job opportunities are created through various means, including the Community Works Programme (CWP) and Expanded Public Works programme (EPWP). Other EPWP job opportunities are created through employment of unemployed graduates and others job opportunities through implementation of capital projects. This programme has been implemented by the District over a number of years now emanating from the decision taken at the municipal strategic planning session. In the 2016/17 financial year the District created 888 jobs, in 2017/18 financial year 614 job opportunities were created. In



the 2018/19 financial year 920 job opportunities were created. This accounts for a total of 2 422 job opportunities created from the 2016/17 financial year to the 2018/19 financial year period. The achievement in this target is affected by a number of projects being completed and some being delayed. However, in the current period, contractors have been appointed for multiyear projects and there will be no delays going forward which means that more projects should be reported in the 2019/20 financial year.

---

### **3.6 TRAINING AND SKILLS DEVELOPMENT**

The institution has developed and approved a Work Skills Development Plan. The plan identifies training needs aligned to the scarce skills and IDP implementation processes. JGDM has a skills development function whose role is to provide accredited tuition, trainings and workshops to employees of all municipalities, Councillors and the community members.

The programme of SMME development within the District has taken a multi-pronged approach. Training of small and emerging business people is a programme of the District that is implemented through JoGEDA. JoGEDA has a partnership with the University of Stellenbosch to training a number of SMMEs. In the current year, the training of SMMEs targeted 26 businesses who all graduated after successfully completing the programme. The beneficiaries of this programme are distributed across the District. It is important to have businesses ready to initiate or receive support in order to grow the local economy and address the high unemployment challenge.

---

### **3.7 SPECIAL PROGRAMMES AND MAINSTREAMING**

During the year under review, the District initiated processes of establishing National Youth Development Agency (NYDA) District offices to empower youth on issues such research, awareness campaigns on social ills confronting the youth and available youth development opportunities. In this period, the District managed to identify and secure space for the NYDA District office in Lady Grey. NYDA was also engaged to install the necessary infrastructure to enable the office to function. To this effect a MoU between the District and Senqu local municipality was signed. Assessments of the readiness for the office space are undergoing to ensure recruitment is finalised.

The Sondela Youth Festivals is one of the youth development programmes that seek to bring the young people together and development local artists. The programme also seeks to bring about enhanced social cohesion within the communities of the District, with a focus on the youth. The outcome of the programme should be a legacy in which development infrastructure, development of small businesses, skilling the youth, tourism promotion as national artists participate in the programme thereby drawing a large number of people

across the country and abroad to converge within the District. This programme will also leave a legacy in which the available infrastructure, such as tourist resources, stadia, etc will be developed.

#### Projects

Project name		Objective	Budgeted amount	Comment
Sondela Festival	Youth	Showcasing talent and development of youth	R1 000 000	Other funds were raised through sponsorship

The District is legislatively compelled to drive, coordinate support and resource (both human and capital) to initiation forums and committees as well as customary male initiation schools during the initiation seasons. (4) Establish a committee on tradition, culture and customs and provide the necessary support to such committee and support a safe and healthy initiation programme. Over the period under review the District continued to support the programme through grading of roads and other support to circumvent any preventable deaths.

Awareness campaigns were also done before the start of the season targeting the Barkly East in Senqu local municipality and Ncembu in Elundini local municipality. Monitoring is performed through the District and reporting and evaluation is conducted and a report tabled to the Provincial Initiation Technical Task Team. Traditional leaders drive the initiation programme through facilitation and leadership. The District also had functional traditional leaders' forum which is supported and coordinated by the District Municipality wherein four meetings were held in the financial year. Local Initiation Working committees were also established in each town in order to have a close interaction and dissemination of information with the communities.

Job preparedness workshop was conducted in which youth were exposed to interview process, job hunting processes which was conducted in Lady Grey, Maclear, Burgersdorp covering all local municipalities within the District. Youth from other town were transported to these venues.

The District AIDS council continued to coordinate and support implementation of HIV and AIDS programmes within the District. The focus for the year was on workplace awareness campaigns in which five workshops on HIV and TB in various satellite offices (Maclear, Barkly East, Lady Grey, Aliwal North and Burgersdorp) of the District. A staff wellness programme in which all the employees of the District municipality were also held as planned. The wellness programme focussed on cancer, HIV and AIDS, physical fitness (10km fun-run and 5km fun-walk, including other sporting activities) and Financial Management. Four District AIDS Council meetings were held as planned which forum was established as one of the coordination efforts by the District municipality.

In support of special groups through cooperation with civil society groups, the District hosted a Spanish International work-camp in July 2018. Students from Retamar (an all-male centre of education centre–Grade 12 equivalent) visited the District for purposes of doing community work and travel experience. Khaya Lokukhanya Cluster Foster Home was adopted as a community project that the education centre will continue to support. The group engaged in various activities, including:

- Construction of a new Foster Cluster Child Care Facility (Foster Care Centre) linked to Khaya Lokukhanya to provide more space for children in need of these services.
- Extensive renovations to the old building situated at 7 De Villiers Street, Barkly East that is utilised as an Early Childhood Development Centre linked to Khaya Lokukhanya
- Painted nine community homes that were identified by the Department of Social Development and Masipilisane Home Based Care in Barkly East.

The Women in Tourism (WiT) Programme commenced in 2013 as a platform to drive initiatives that support the development and empowerment of women in the tourism sector. Its interventions included training on personal development, supporting women to develop a competitive advantage in their businesses and provision of capacity building initiatives. This is to be achieved by establishing Women in Tourism branches at a Provincial, Regional and Local Level. The District currently has three Women in Tourism branches that are in the establishment phase.

---

### **3.8 MUNICIPAL HEALTH SERVICES**

In terms of the District function on Municipal Health Services (MHS), the District performs various functions, which include various inspections ranging from waste, health premises, public premises, funeral parlours, business premises, etc. The District has elected to tackle MHS compliance with a developmental and educational approach. The initial assessment and outcomes are more focused on identification and resolution. Drastic steps are then immediately taken in cases of where no improvement is observed. In cases where high health risks are identified immediate closure notices are issued due to the zero tolerance on extreme health hazards per the by-law.

Due to exemplary execution of the MHS function the District managed to scoop the following award during the year under review:

- Best in National Audit with an attainment of 85% score on compliance in relation to National norms and standards
- Best practice case on MHS bylaws
- District MHS by-law adopted by SALGA National as national generic by-laws for the country

- Best Environmental Project award at a National level

During this reporting period, the District continued to monitor these establishment and waste as the set target of 2 inspections of 95 health establishment premises was achieved. At the year end the District reported that 2 inspections of each of the 91 health establishment premises and 1 inspection of 6 health establishments were achieved. The ratio of EHP to the population is below the national norm and this affects the service. The District municipality will continue with the inspections and enforcement in the new-year. EHPs were trained and workshoped on the performance of the MHS function with specific focus on the implementation of bylaws and this will be continued going forward.

The district MHS has seen its performance recognized nationally. The District was selected as a best practice case. Due to the national recognition, the District has been invited by various institutions to share lessons learned. Stakeholders in the Eastern Cape and Free State have engaged the District on this aspect.

The MHS bylaws of the Joe Gqabi District have been adopted by SALGA National as national generic by-laws. The District has further and continues to engage in various by-law enforcement initiatives which have included coordination of stakeholders, including the South African Police Service (SAPS) towards enforcing public health protocols with an objective of proactively coordinating the well-being of public thereby reducing the strain on the public health facilities and resources. Stakeholder coordination and cooperation is critical to effectively implement the MHS function as the relevant performance areas extend beyond a single stakeholder. For instance, the management of waste sites and illegal dumps in the entire District is a serious predicament that requires intervention from local municipalities and communities. Empowering and addressing critical public health issues will lessen the burden of disease which if not addressed would bear major financial implications for the government. In addition, effective and resourced MHS will improve the preventative measure and lead to happy and healthy communities in the future.

Despite some remaining challenges with regard to compliance in the existing public premises in the District, there is an increase of opening of new non-compliant food trading premises. EHPs managed to close new businesses that were newly opened without Certificate of Acceptability (CoA) and other health related certificates. Non compliance has been found in various establishments including schools and health establishments. Shortage of resources to the EHPs to effectively execute their function is one of the challenges that the institution confronting.

One of the priorities of the District is awareness. During the year under review, the country was confronted by *listeriosis* albeit no incidents or cases were reported within the District. As proactive preventative intervention, the Municipal Health Services conducted awareness drives through engagements on radio stations, schools and community during the World Environmental Health day. Pamphlets were also issued to educate communities about the

symptoms and preventative measure against *listeria* infection. During the 2018/19 financial year drought situation the District also implemented extensive programmes on basic hygiene educate to reduce chances of communities acquiring water borne and other contagious infections.

In implementing the proactive preventative intervention strategy, food samples from all milk palours, processing establishments and butcheries from the District as well as selected food outlets were tested in partnership with the National Department of Health office from such as butcheries. This assisted the District with access to the concomitant testing equipment. Some contaminants and pathogens were identified in one of the establishments during the sample analysis exercise leading to issuing of closure notices with recommendations to resolve the identified problems. All food staffs that were affected were removed from all the affected establishments. Awareness campaigns were conducted in all identified risk areas with the theme 'global food safety and sustainability'. Blitzes were also conducted in food premises to deal with the challenge of fake foods in collaboration with other Departments such as SAPS, DEDEA and local municipalities.

With regard to enforcement, the District conducted health surveillance of public and business premises within the District area with the aim of imposing compliance in such premises. Monitoring of sewerage spillages and illegal waste sites was also performed by the District. Compared to the previous financial years there has been major improvements in the management and resolution of the sewer spillage challenge though challenges remain in Burgersdorp, Sterkspruit, Maclear and Ugie. Some of the challenges are due to usage of septic tanks as a result of lack of infrastructure to channel sewer to the treatment works. An infrastructure investment programme is being executed including projects that are implemented through the DBSA front loading programme to address this challenge.

The District is more rural and is then characterized by high levels of backlogs leading to business and public premises not inspected regularly as per the standards. Access roads, bridges and the vastness of the District pose a serious challenge. As a result the levels of compliance in remote areas are higher compared to the urban areas and townships. A number of business premises operate without the necessary permits.

To enforce compliance, the District developed the Joe Gqabi Municipal Health Services by-law and it was published in March 2019 for public engagement. The by-law sought to enable the municipality to promote and protect the well being of all people within the municipal area by providing an effective legal and administrative framework to manage Municipal Health Service obligations. As a result of the ground breaking nature of the by-law, the District won a 'best Environmental Project' award at a National level. Moreover, EHPs were trained and are now qualified as law enforcement officers and peace officers. This improved the capacity of the District to enforce the by-law.

Successful implementation of Environmental Health Services depends on cooperation between all affected parties such as government departments and municipalities. The legal mandate on creation and maintenance of safe and healthy environment requires multi-stakeholder actions and this area has been faced with challenges. Improved intergovernmental cooperation will lead to improvement in areas such as illegal dumping, compliance of waste sites, compliance by early childhood development centers.

Project Name	Objective	Budgeted Amount	Amount Spent	Comments
<b>Development of Municipal Health Services by-law</b>		R0 (operational)	R0 (operational)	This was developed internally. This has made the by-law more practical and implementable.
<b>Surveillance of Public and business premises</b>	Aimed to assess hazardous and unsatisfactory health conditions on all public and business premises within the District	R0 (operational)	R0 (operational)	The project intended to ensure that the MHS services reach all the remote areas of the District

### 3.9 DISASTER MANAGEMENT, FIRE AND RESCUE SERVICES

Climate change impacts will affect disaster management, infrastructure and human settlements in several ways in Joe Gqabi District Municipality. Increases in the severity of storm events, gale force winds, drought, severe flooding and similar risks will damage infrastructure and social life and it may also lead to a loss of industrial productivity, service delivery and social disruptions. With this realization the District developed and adopted a Disaster Risk Management Plan which outlines proactive identification of disaster risks, disaster preparedness, mitigation and recovery strategies. The District aims to provide effective and efficient disaster risk management, fire and rescue services which will be achieved through responding and addressing all reported disaster incidents.

The District reviewed and adopted its Disaster Risk Management Plan to deal with disaster management and planning within the District. Vulnerability and risk assessment linked to the frequent snow incidents and approval of an incidence protocol was developed in consultation with all stakeholders.

The Disaster Management Centre (DMC) has been established. The roles and responsibilities of the centre are to coordinate, plan, prevent, mitigate and respond to disaster and fire incidents. In addition, local offices have been established by the District in each local municipality in Mount Fletcher, Burgersdorp, Aliwal North and Lady Grey. With the merger of former Gariiep and Maletswai local municipalities, the District initiated a

process to integrate the Burgersdorp and Aliwal centers into a single unit which represents the newly formed Walter Sisulu Walter Sisulu local municipal satellite office. The Disaster Centre is in a process of developing the Cross Border Mutual Aid Agreements with neighbouring municipalities and Districts offering disaster and fire services in an attempt to cater for risks and community vulnerabilities.

In order to deal with veld and forest fires, the District has entered into agreements with local farmers and local municipalities. The District also entered into a formal agreement with the working on fire programme with a focus of increasing the available human resources. The Provincial Disaster Management centre also provides support as and when required. Good relations with the farming community which process allows for shared resources usage, also enable the District to respond to fire incidents with high levels of success.

Project Name	Objective	Budgeted Amount	Amount Spent	Comment
Procured 1 multi-purpose response vehicle (as part of the Mutual aid assistance programme with the Department of Environmental Affairs)	To respond to all fire related incidents	R1 387 915	R1 387 915	The vehicle is designed for both rural and urban to deal with structural and veld fires. This has increased the response capacity of the District
Review of Disaster Management Policy Framework	To align with Provincial and National Policy	R0 (operational budget)	R0 (operational budget)	The document is in draft stage. The document will be completed by June 2020
Draft Disaster Management Plan	To enable the District to respond to Disaster and outline and mitigate common and likely Disasters	R0 (operational budget)	R0 (operational budget)	The document is in draft stage. The document will be completed by June 2020
PPE equipment (as part of the Mutual aid assistance programme with the Department of Environmental Affairs)				Mutual aid assistance programme with the Department of Environmental Affairs Procured PPE for fire fighters and reservists Shared service model

With regard to community awareness programme, the District municipality conducted ongoing integrated community disaster and fire awareness sessions in various areas throughout the District. The focus awareness sessions focused on improving understanding of disaster management procedures, fire safety tips as well as sharing of information on the drought situation and seasonal weather focus. These programmes were implemented with greater successes recorded in the urban areas compared to the rural areas. Supplementary

initiatives are being explored with an objective of extending the programme to rural areas. Ward committees, traditional leaders and councilors actively participated on the programme.

Hoax calls pose a challenge to the District as they potentially derail reaction to genuine incidents. A disaster incident register which serves as a tool to register and track reported disaster and fire incidents is in place. During the 2018/19 financial year, the District was able to respond to all reported incidents albeit due to the vastness of the District and inadequacy of resources response times were extended in some cases. The inability of local municipalities to assume ownership of their share in fire-fighting services exerts additional pressure on the already strained resources and capacity of the District. Initiatives and engagements to address this matter with the local municipalities and the Province are ongoing. Due to how powers and functions are spread throughout government institutions and agencies, some cases are referred to the local municipalities, Department of Social Development, Department of Human Settlements or the Department of Local Government and Traditional Affairs. An incidence of slow response rate to resolving reported disaster incidents remained as a challenge. The matter is getting the necessary attention after being elevated to relevant intergovernmental platforms.

The District has twenty eight (28) fire fighters currently in service. The extent of meeting minimum requirements has improved significantly in terms of strictly applying the necessary requirements for fire-fighting skills. Project Management, monitoring and evaluation skills have been identified as critical skills requiring implementation for both fire and Disaster services. During the period under review and going forward, the District received support through the National Disaster Management Center which focused on fire investigations. The Provincial Disaster Management Centre together with the District has plans to train fire fighting and disaster management officials on search and rescue operations.

As with disaster services, the District strives to respond to all reported fire incidents. In the 2018/19 financial there were reported incidents in Mt Fletcher in which the District municipality could not respond to a reported incidence due to non-availability of vehicles. The old equipment leads to huge expenses due to concomitant hiring of vehicles for Mt Fletcher, Lady Grey, Aliwal North and Burgersdorp areas. The service is growing in a modest rate due to local municipalities not assuming their role as far as the fire services function is concerned. Elundini local municipality has started to move towards the implementation of the function. The matter is being discussed at relevant intergovernmental platforms including the Provincial Disaster Management center for intervention and resolution.

Employees: Disaster Management					
Job Level	2017/18 FY	2018/19 FY			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)



	No.	No.	No.	No.	%
0 - 3	0	0	0	0	N/A
4 - 6	0	1	1	0	0%
7 - 9	0	0	0	0	N/A
10 - 12	2	3	3	0	0%
13 - 15	0	0	0	0	N/A
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	N/A
<b>Total</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>

Employees: Fire and Rescue Services					
Job Level	2017/18 FY	2018/19 FY			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		0	0	0	N/A
4 - 6		29	23	6	79%
7 - 9		10	5	5	50%
10 - 12		0	0	0	N/A
13 - 15		2	2	0	0%
16 - 18		0	0	0	N/A
19 - 20		0	0	0	N/A
<b>Total</b>		<b>41</b>	<b>30</b>	<b>11</b>	<b>73%</b>

### 3.10 LEGAL SERVICES

One of the key priorities of the Legal Services function of the municipality was to ensure that Councillors and staff declared their interests for the year under review. In terms of the applicable legislation, Councillors should declare within 60 days of the start of the financial year and staff by the end of the first quarter of the financial as per Declaration of Interests policy of Council. About 100% of staff made their declarations timely and 100% Councillors also declared. This represented a significant improvement compared to the prior year which was due to implementation of disciplinary measures. Disciplinary measures are being enforced through the Legal Services Section, Rules and Ethics Committee as well as the MPAC.

The municipality annually reviews and adopts its policies. All policies of the institution were reviewed and adopted by the Council in May 2018 and September 2018. This followed a thorough process of consultation with user Departments and Council Committees. The Legal Services section seeks to ensure compliance of all with policies with applicable legislative prescripts. Challenges were experienced on policies that required consultation with organised labour through the LLF. This led to delays in Council adopting the pertinent

policies. To deal with this challenge, LLF subcommittees were established and this has eased the workload and improved the timing of adoption of policies.

With a view to enhance compliance with legislation and policies, the District Municipality drafted compliance tools which were developed in partnership with the Audit Committee. As this is a new initiative, a change management process that aims to improve response rates to the templates and the general improvement in compliance is being implemented.

---

### **3.11 HUMAN RESOURCES DEVELOPMENT**

During the year under review the municipality initiated a programme of re-engineering, reviewal and implementation of all organisational development related processes. The programme entails development of processes linked to the development of an organisational structure, job specifications and descriptions, skills audit and skills profile for the municipality, ensuring inter and intra departmental alignment of functions, placement of staff as well as the calculation of all salaries linked to such placement in line with the SALGBC prescripts. The outcome of this process can be summed up as follows:

- Design/development and review of a comprehensive first level organisational structure for the Municipality.
- Development of Job Descriptions for the entire municipality in the SALGBC, Task format and task grading.
- Development of a detailed skills audit /profile for the municipality
- Development of a Placement Policy to formalize and guide the placement process

The District identified a need to update and automate integrated human resource management processes, with a focus on a systematic approach to conversion of manual systems to self service automation. Amongst others, this will improve areas such as leave, time and attendance between the main office and the satellite centres. These systems will be integrated with the financial system of the municipality, Sebata, though there are some functionality related issues with it. The District continues to engage with the service provider and the Provincial Treasury in resolving the matter.

---

### **3.12 SUPPLY CHAIN MANAGEMENT**

The role of the supply chain management function of the municipality is to fulfil municipal procurement needs, manage contracts and manage insurance and municipal assets. The municipality is dealing with inability to attract the relevant skills and the municipality intends to address this challenge through reviewing the relevant recruitment policies. The municipality has prioritised seating of bid committees to ensure timely award of tenders. The municipality was able to procure despite capacity challenges. During the year under consideration, the municipality reviewed the Supply Chain Management Policy and Asset

Management Policy. The three legislated SCM committees continued to meet as and when required.

### 3.13 FINANCIAL SERVICES

**Grant expenditure:** Over the past few years the District has experienced severe cashflow challenges. It is however through the various initiatives and intervention that have been progressively implemented over the years in order to deal with financial sustainability of the District municipality.

The municipality receives various grant allocations for infrastructure development/ and upgrades, the table below shows the grant allocations for 2018/19 FY and expenditures to date. Municipal Infrastructure Grant (MIG) is the capital grant allocation. The Eastern Cape Provincial Treasury Grant is a reimbursive capital grant. The Water and Sanitation Infrastructure grant (WSIG) is used for both operations and capital and is not solely capital.

GRANT	REVENUE (2018/19FY)	EXPENDITURE (2018/19FY)	% EXPENDITURE
Municipal Infrastructure Grant	R 151,815,279.00	R 153,873,622.15	101%
Eastern Cape Provincial Treasury	R 28,583,000.44	R 30,411,762.35	106%
WSIG	R 67,346,000.00	R 60,997,413.84	91%
GRAND TOTAL	<b>R 247,744,279.44</b>	<b>R 245,282,798.34</b>	<b>99%</b>

**Revenue enhancement:** One of the critical areas of focus for the District was the implementation of revenue collection and enhancement strategy, which was developed and adopted by Council. Initiatives range from Water Demand Management and Conservation programme and improved billing. The billing improvement programme focuses on efficient smart metering for both consumer units and the bulk infrastructure. These initiatives will lead to efficient use of the finite and scarce water resource. The District collected 28% of the billed revenue in the 2018/19 financial year. The target for collections in the current year (2019/20FY) is set at 40%. Some of the challenges relate to that fact that water services cannot be cut to residential premises to force payment and there is a culture of non-payment for services. Pre-paid water installations and credit control are being prioritised in 2019/20 so as to increase revenue. Awareness programmes to encourage communities to commit to payment for municipal services are being prioritized in the current year. Bulk meters are also being implemented with an objective of reducing unaccounted for water.

There has been significant reduction in wasteful and fruitless expenditure which enhances the revenue of the institution. To limit payment of interest charged by creditors for late

payment of accounts, the District has strict controls on overdue accounts. All confirmed invoices are paid within the norms and standards.

**Implementation of MSCOA:** In compliance with the MSCOA implementation requirements, the District has implemented a new financial system following the passing of an mSCOA resolution. The mSCOA implementation plan was also approved. The CFO and budget Manager were appointed as mSCOA champions who are leading the implementation phases of mSCOA with the assistance and practical hands-on support of the mSCOA oversight committee which is constituted by the critical functionaries within the District together with Top Management. The Internal Audit Function is responsible for assessment of the progress made on planning, design, development, testing and implementation of MSCOA against milestones as defined by the National Treasury and those milestones as identified in the JGDM mSCOA project plan.

---

### 3.14 INFORMATION COMMUNICATION TECHNOLOGY

ICT governance is the application of standards, management, policies, procedures, structure, contract management, SLA's and other management methods to effectively control, plan and administer ICT. Over the year under review, the District implemented various systems that sought to improve the governance of ICT through the application of policies, standards and procedures. The implementation strategy included examining Open Source alternatives in terms of Total Cost of Ownership principals and alternative service delivery methods. The objectives below were identified as part of IT strategic priorities and were expected to deliver benefits through the execution and implementation of initiatives resulting from the strategic plan.

This strategic priority on coordination of ICT projects, activities and resources was met through the development and introduction of inTouch programme which was developed through the tirelo Bosha project. The objective of the project is to create a central repository of all projects and experiences to improve service delivery.

This strategic priority on Master Systems Plan was oversight and quality control of documents produced by service providers. The District implemented a programme of promoting ICT alignment with information and systems requirements of the municipalities to improve decision making and service delivery through access to accurate and timely information.

The overall strategic achievements can be summed into four main areas as outlined below:

- Completion of the implementation of the Wi-Fi hotspot at the Sterkspruit library
- Setting up of connectivity for the Municipal billing offices
- Completion and implementation of the Tirelo Bosha project
- Finalisation of the Voice Over Internet Protocol (VOIP) telephone system

Project name	Objectives	Budget allocated	Project completed	Comment
Wi-Fi project	The intention is to improve internet access through a pilot programme	R2 000 000	Project is complete	Sterkspruit has been identified as the pilot site and a launch was in March 2019
Connectivity	To change the telephone system from analogue phones to VOIP and also to connect the satellite to the main office	Rates basis	Project is ongoing	None
Tirelo Bosha	To enhance service delivery through the use of ICT and improve communication management of the Joe Gqabi District Municipality	R1 306 000	Systems have been installed and are being tested by users within the Municipality.	None

---

### 3.15 JGDM ORGANISATIONAL PERFORMANCE SCORECARD

***[NB: This information is not available as the AG has not finalised the audit for the 2018/19 Financial year. Please see appndix A].***

---

### 3.16 JOGEDA ORGANISATIONAL PERFORMANCE SCORECARD

***[NB: This information is not available as the AG has not finalised the audit for the 2018/19 Financial year. Please see appndix A].***

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

Organization development must be understood as an effort that is planned, organization-wide, and managed from the top, that is aimed at increasing the organization's effectiveness and health through planned interventions in the organization's structure and processes. The Corporate services Directorate in the District municipality through the Human Resources Management section and the Skills Development Sections are responsible for coordinating and implementing matters pertaining to organizational Development issues. The primary objective of the District in this regard is to ensure that the institution is able to implement its mandate as outlined in the Constitution of the Republic read together with applicable legislation. The IDP becomes the panacea of organizational development and service delivery implementation. The section below depicts in details key organizational development matters.

### 4.1 EMPLOYEE MATTERS

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	NO 1 JOE GQABI DISTRICT MUNICIPALITY LEAVE POLICY 2018 2019	100%	100%	31-May-18
2	NO 2 POLICY ON MEDICAL AID CONTRIBUTIONS FOR IN-SERVICE EMPLOYEES AND PENSIONERS 2018 2019	100%	100%	31-May-18
3	NO 3 OVERTIME AND SHIFT WORK POLICY 2018 2019	100%	100%	31-May-18
4	NO 4 S & T POLICY 2018 2019	100%	100%	31-May-18
5	NO 5 NFMW POLICY 2018 2019	100%	100%	31-May-18
6	NO 6 POLICY ON THE PAYMENT OF A 13TH CHEQUE TO TEMPORARY EMPLOYEES INTERNS AND STUDENTS 2018 2019	100%	100%	31-May-18
7	NO 7 RECRUITMENT SELECTION AND APPOINTMENT POLICY 2018 2019	100%	100%	31-May-18
8	NO 8 ACTING AND ENHANCED RESPONSIBILITY ALLOWANCE POLICY 2018 2019	100%	100%	31-May-18
9	NO 9 TERMINATION OF EMPLOYMENT POLICY 2018 2019	100%	100%	31-May-18
10	NO 10 JGDM RELOCATION POLICY 2018 2019	100%	100%	31-May-18
11	NO 11 CELLPHONE POLICY 2018 2019	100%	100%	31-May-18
12	NO 12 RENTAL AND HOUSING SUBSIDY POLICY 2018 2019	100%	100%	31-May-18
13	NO 13 WORKING HOURS POLICY 2018 2019	100%	100%	31-May-18
14	NO 14 JGDM SMOKING POLICY 2018 2019	100%	100%	31-May-18
15	NO 15 BANKING AND DEDUCTIONS POLICY 2018 2019	100%	100%	31-May-18
16	NO 16 POLICY ON THE USE OF MUNICIPAL FACILITIES BY TRADE UNIONS 2018 2019	100%	100%	31-May-18



17	NO 17 POLICY ON THE APPOINTMENT OF AN ACTING MUNICIPAL MANAGER OR SECTION 56 MANAGER 2018 2019	100%	100%	31-May-18
18	NO 18 EMPLOYEE ASSISTANCE (EAP) POLICY 2018 2019	100%	100%	31-May-18
19	NO 19 ESSENTIAL USER SCHEME POLICY 2018 2019	100%	100%	31-May-18
20	NO 20 ATTENDANCE REGISTER POLICY 2018 2019	100%	100%	31-May-18
21	NO 21 POLICY ON INCAPACITY DUE TO ILL HEALTH OR INJURY 2018 2019	100%	100%	31-May-18
22	NO 22 OCCUPATIONAL HEALTH AND SAFETY POLICY 2018 2019	100%	100%	31-May-18
23	NO 23 BAD WEATHER INACCESSIBILITY POLICY 2018 2019	100%	100%	31-May-18
24	NO 24 BEREAVEMENT POLICY 2018 2019	100%	100%	31-May-18
25	NO 25 POLICY ON GIFTS GRATIA AND LONG SERVICE AWARDS 2018 2019	100%	100%	31-May-18
26	NO 26 JGDM HARASSMENT POLICY 2018 2019	100%	100%	31-May-18
27	NO 27 JGDM STANDBY DUTY AND ALLOWANCE POLICY 2018 2019	100%	100%	31-May-18
28	NO 28 ALCOHOL AND DRUG ABUSE POLICY 2018 2019	100%	100%	31-May-18
29	NO 29 JGDM GRATUITY POLICY 2018 2019	100%	100%	31-May-18
30	NO 30 POLICY ON THE TERMINATION OF EMPLOYEE RECORDS FROM THE PAYROLL SYSTEM 2018 2019	100%	100%	31-May-18
31	NO 31 RECRUITMENT OF EPWP EMPLOYEES 2018 2019	100%	100%	31-May-18
32	NO 32 JGDM PPE POLICY 2018 2019	100%	100%	31-May-18
33	NO 33 - JGDM TASK JOB EVALUATION POLICY 2018 2019	100%	100%	31-May-18

## 4.2 CAPACITATING THE MUNICIPAL WORKFORCE

The District implemented various training plans which focused on ABET, financial management, management development programme and leadership, municipal governance, specialised technical skills, life skills, legal, LED and planning, Occupational Health and safety, administration, project management and computer literacy. During the year under review the District implemented the following training.

**Table 2: Annual training report**

Name of Intervention	Type of Learning Intervention	NQF Level	Funded By	Employment Category	Number of Participant	Males	Females
Records Management	Skills Programme	NO	Institutional	Manager	1	0	1
Local Economic Development - Socio	Learnership	NO	LGSETA	Professionals	2	1	1
ODETDP	Learnership	5	Institutional	Clerk	1	0	1
Secretary Day	Skills Programme	NO	Institutional	Departmental Secretaries	10	0	10
Contract Management	Skills Programme	NO	Institutional	Manager	1	0	1

Name of Intervention	Type of Learning Intervention	NQF Level	Funded By	Employment Category	Number of Participant	Males	Females
Customer Service	Skills Programme	NO	Institutional	Semi-Skilled	3	2	1
Water Law of SA	Skills Programme	NO	Institutional	Directors	2	1	1
Leadership Development	Learnership	4	Institutional	Legislators	20		
MFMP	Learnership	NO	Institutional	Professionals	10	3	7
Basic Computer	Skills Programme	NQF Level 4	Institutional	Legislators	20		
Financial Management	Skills Programme	NQF LEVEL 4	Institutional	Community	40	10	10
Human Settlement	Skills Programme	NO	Institutional	Legislators	2		
HRM B TECH	Bursary	7	Institutional	Manager	1	1	0
Cigfaro	Skills Programme	NQF Level 5	Institutional	Managers	4	0	4
Director Series Programmer	Workshop	NO	Institutional	Directors	3	3	0
International Conference	Skills Programme	NO	Institutional	Legislator	1	0	1
MSCOA Training	Workshop	NO	Institutional	Legislators & Directors			
Water Process Control Workshop	Workshop	NO	Institutional	Semi-Skilled	33		
Excel Computer programme	Skills Programme	NQF Level 4	Institutional	Professionals	2	0	2
Job Evaluation Programme	Skills Programme	NQF Level 5	Institutional	Professional	1	1	0
Quality Assurance programme	Skills Programme	NQF 5	Institutional	Professionals	2	1	1
Local Governance Conference	Conference	NO	Institutional	Director	1	1	0
OHS programme	Workshop	NQF Level 5	Institutional	Professional	1	1	0
PMS	Skills Programme	NQF 4	Institutional	Legislators	30		
Rules of Order	Workshop	NO	Institutional	Legislators	30		
Labour Amendments	Workshop	NO	Institutional	Manager	1	0	1

Name of Intervention	Type of Learning Intervention	NQF Level	Funded By	Employment Category	Number of Participant	Males	Females
Councillor IDP Phase 2	Skills Programme	NQF Level5	SALGA	Legislators	0		
Anti Fraud & Corruption	Workshop	NO	Institutional	Legislators	0	15	15
File Plan Training	Workshop	NQF Level 4	Institutional	Legislators	0	20	20
Staff Supervisory	Skills Programme	NQF Level 5	Institutional	Officials			
Peace Officer Training	Skills Programme	NQF 5	Institutional	Officials	23	4	19

### 4.3 WORKFORCE PROFILE

This section provides a report on the total number of employees (including employees with disabilities) in each of the following occupational levels:

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	1	0	0	1	0	0	2	0	0	7
Senior management	8	2	0	2	7	0	0	0	0	0	19
Professionally qualified and experienced specialists and mid-management	30	3	0	4	34	2	0	2	0	0	75
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	55	3	0	4	40	2	0	1	0	0	105
Semi-skilled and discretionary decision making	104	12	0	0	80	1	0	0	0	0	197
Unskilled and defined decision making	157	7	1	0	33	1	0	0	0	0	199
<b>TOTAL PERMANENT</b>	<b>357</b>	<b>28</b>	<b>1</b>	<b>10</b>	<b>195</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>602</b>
Temporary employees	116	3	0	4	38	1	0	0	0	0	162
<b>GRAND TOTAL</b>	<b>473</b>	<b>31</b>	<b>1</b>	<b>14</b>	<b>233</b>	<b>7</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>764</b>

The following table shows the total number of employees with disabilities only in each of the following occupational levels:

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	2	0	0	0	0	0	4
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	0	0	0	0	0	0	1
<b>TOTAL PERMANENT</b>	3	0	0	0	2	0	0	0	0	0	5
Temporary employees	0	0	0	0	2	0	0	0	0	0	2
<b>GRAND TOTAL</b>	3	0	0	0	4	0	0	0	0	0	7

#### 4.4 RECRUITMENT

The following report shows the total number of new recruits, including people with disabilities.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	0	0	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	4	0	0	0	4	0	0	0	0	0	8
Temporary employees	3	0	0	0	8	0	0	0	0	0	11
<b>GRAND TOTAL</b>	7	0	0	0	12	0	0	0	0	0	19

## 4.5 PROMOTIONS

The following section shows the total number of promotions into each occupational level, including people with disabilities.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	1	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	1	1	0	0	0	0	5
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	5	0	0	0	2	1	0	1	0	0	9
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	5	0	0	0	2	1	0	1	0	0	9

## 4.6 TERMINATIONS

This section reports on the total number of terminations in each occupational level, including people with disabilities.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	1	0	0	1	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	1	0	0	1	0	0	0	0	0	5
Semi-skilled and discretionary decision making	7	0	0	0	0	0	0	0	0	0	7
Unskilled and defined decision making	4	0	0	0	0	0	0	0	0	0	4
<b>TOTAL PERMANENT</b>	15	2	0	0	2	0	0	0	0	0	19
Temporary employees	5	0	0	0	12	1	0	0	0	0	18
<b>GRAND TOTAL</b>	20	2	0	0	14	1	0	0	0	0	37

## 4.7 NUMERICAL GOALS

This sections reports on numerical goals as contained in the EE Plan (i.e. the entire workforce profile including people with disabilities). This was projected to be achieved at the end of the period under review in terms of occupational levels.

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	1	0	0	1	0	0	2	0	0	7
Senior management	8	2	0	2	8	1	0	0	0	0	21
Professionally qualified and experienced specialists and mid-management	37	7	0	4	34	4	0	2	0	0	88
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	55	5	0	4	42	4	0	3	0	0	113
Semi-skilled and discretionary decision making	104	14	0	0	80	7	0	0	0	0	205
Unskilled and defined decision making	157	9	1	0	42	5	0	0	0	0	214
<b>TOTAL PERMANENT</b>	<b>364</b>	<b>38</b>	<b>1</b>	<b>10</b>	<b>207</b>	<b>21</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>648</b>
Temporary employees	116	3	0	4	38	1	0	0	0	0	162
<b>GRAND TOTAL</b>	<b>480</b>	<b>41</b>	<b>1</b>	<b>14</b>	<b>245</b>	<b>22</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>810</b>



## CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

***NB: All Financial Information and Non Financial Information is not available as the Auditor General has not finalised the audit for the 2018/19 financial year. Please see appendix A.***

## APPENDIX A: ACKNOWLEDGEMENT OF DELAY IN CONSOLIDATED REPORT FROM AG



AUDITOR-GENERAL  
SOUTH AFRICA

The Accounting officer  
Joe Gqabi District Municipality  
C/o Cole and Graham Street  
Barky East  
9786

20 December 2019

Reference: 05254REG18/19

Dear Municipal Manager

**Special report of the Auditor-General on the delay in the submission of the audit report on the consolidated and separate financial statements of Joe Gqabi District Municipality for the financial year ended 30 June 2019**

1. As required by section 126(4) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) I attach herewith my special report informing you on the reasons for the delay in submitting my audit report on the consolidated and separate financial statements of Joe Gqabi District Municipality by 31 December 2019.

2. Please acknowledge receipt of this letter.

Yours sincerely

**Shereen Noble**  
**Business Executive: Eastern Cape**

Telephone: (043) 709 7283  
Fax: (043) 709 7300  
E-mail: [ndiram@agsa.co.za](mailto:ndiram@agsa.co.za)

The receipt of this letter is acknowledged by Municipal Manager on behalf of  
[designated person signing]  
Joe Gqabi District Municipality  
[addressee]

Signed

  
Name and title  
for ZA Williams

20/12/2019  
Date

*Auditing to build public confidence*

**Auditor-General of South Africa**

PO Box 13252 Vincent 5217 Eastern Cape • Docex 72 • Tel: +27 (0)43 709 7200 • Fax: +27 (0)43 709 7300 • [www.agsa.co.za](http://www.agsa.co.za)

---

## APPENDIX B: REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2019

[Report is not available. *Auditor General has not finalised the audit for the 2018/19 financial year. Please see appendix A*

## APPENDIX C: COUNCIL COMMITTEES

Municipal Committees	Purpose of Committee
Audit Committee	To provide independent, objective assurance and consulting services designed to add value and improve the District Municipality's operations. It helps the District Municipality accomplish its objectives by bringing a systematic, discipline approach to evaluate and improve the effectiveness of risk management, governance and control processes.
MPAC	To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report in the annual report. To perform any other functions assigned to it through a resolution of Council within its area of responsibility, excluding policy formulation or prioritization matters.
Corporate Services Standing Committee	To advise the Mayoral Committee on matters related to Corporate Services
Community Services Standing Committee	To advise the Mayoral Committee on matters related to Community Services
Technical Services Standing Committee	To advise the Mayoral Committee on matters related to Technical Services
Financial Services Standing Committee	To advise the Mayoral Committee on matters related to Financial Services
Strategic & Governance Committee	To advise Council on matters related to Strategic and Governance
Rules & Ethics	To advise Council on matters related to Rules and Ethics
Remuneration Committee	To advise Council on matters related to Remuneration
Disciplinary Board	This is a committee established in terms of Regulation 4 of the MFMA Regulations on financial misconduct. It deals with cases of financial misconduct. It investigates cases and reports to Council

## APPENDIX D: COMMITTEE ATTENDANCE BY COUNCILLORS

Council Committee Members	Council			Mayoral Committee			Technical Services Committee			Corporate Services Committee			Financial Services Committee			Community Services Committee			Strategic and Governance Committee			Rules and Ethics Committee		
	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent	No of meetings	Attendance	Absent
Ald ZI Dumzela (ANC)	12	10	2	12	12	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr TZ Notyeke (ANC)	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ald LM Tokwe (ANC)	12	11	1	12	11	1	N/A	N/A	N/A	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr DD Mvumvu (ANC)	9	9	3	12	7	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	9	2	N/A	N/A	N/A	N/A	N/A	N/A
Cllr S Mei (ANC)	12	7	5	12	8	4	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	2	5	N/A	N/A	N/A
Cllr EM Lakabane (ANC)	12	10	2	12	7	5	N/A	N/A	N/A	N/A	N/A	N/A	12	11	1	N/A	N/A	N/A				N/A	N/A	N/A
Cllr NU Hlathuka	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	7	0	N/A	N/A	N/A
Cllr M Yiliwe	12	8	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	10	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr M A van Zyl (DA)	12	11	1	N/A	N/A	N/A	10	10	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr N Ngendane (EFF)	12	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	9	2	N/A	N/A	N/A	N/A	N/A	N/A
Cllr B Msuthwana (ANC)	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr Telile (ANC)	12	9	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	10	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr L Pili (DA)	12	9	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	9	0
Cllr M Marubelela (ANC)	12	7	5	N/A	N/A	N/A	N/A	N/A	N/A	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr B Khweyiya (ANC)	5	1	4*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6	1	5	N/A	N/A	N/A	N/A	N/A	N/A

Cllr DV Davids (ANC)	7	3	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	3	2	N/A	N/A	N/A	N/A	N/A	N/A
Cllr L Booka (ANC)	12	10	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr N Ntaopana (Independent)	12	9	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr M Phuza (ANC)	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	10	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	7	0	N/A	N/A	N/A
Cllr NP Mposelwa (ANC)	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	6	5	N/A	N/A	N/A	9	3	6
Cllr V V Stokhwe (ANC)	12	9	3	N/A	N/A	N/A	10	9	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	6	1	9	8	1
Cllr XG Magcai (DA)	12	12	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Cllr NM Phama (SCA)	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	9	0
Cllr AP Kwinana (ANC)	12	12	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr Df Hartkopt (DA)	12	9	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr KS Lange (ANC)	5	3	2 *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cllr L Nkunzi (ANC)	7	5	2							N/A	N/A	N/A	5	4		N/A	N/A	N/A				N/A	N/A	N/A
Cllr B Msuthwana (ANC)				N/A	N/A	N/A	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr ZA Williams	12	9	3	12	5	7				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms F Sephton	12	8	4	12	9	3				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr R Furtuin	12	9	3	12	6	6	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms S du Toit	12	3	9	12	5	7				N/A	N/A	N/A	12	11	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr M Nonjola	12	6	6	12	6	6 ***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	1	0	N/A	N/A	N/A
Adv H Jantjie	12	9	3	12	7	5				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A
Ms N Mshumi	12	10	2	12	6	6				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	4	3	N/A	N/A	N/A
Mr D Lusawana	12	7	5	12	6	6	10	8	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A	N/A	N/A
Mr A Gqobhoka	12	9	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	2	5	N/A	N/A	N/A

## APPENDIX E: DECLARATIONS OF INTEREST

Disclosures of Financial Interests		
Period ending 30 June 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
Executive Mayor	Ald. ZI Dumzela	Nil
Member of MayCo	Ald. LM Tokwe	Nil
	Cllr EM Lakabane	Nil
	Cllr S Mei	Nil
	Cllr DD Mvumvu	Nil
Councillor	B. Msuthwana	Nil
	L. Booka	Achridan Constructor 2006/029542/23
	V. Davids	Nil
	D.F. Hartkopf	Nil
	N. Hokwana	Nil
	B. Khweyiya	Nil
	A.P. Kwinana	Nil
	K. Lange	Nil
	X. Magcai	Nil
	M. Marubelela	OGU Trading CC 2007/091248/23
	N.P. Mposelwa	Nil
	N. Ngendane	Nil
	L. Nkunzi	Nil
	T. Notyeke	Nil
	N. Ntaopane	Nil
	N.M. Phama	Nil
	M. Phuza	1)Ekhephini Community Radio 2012/202603/08 2) Ilanga Libalele Communications 2010/151401/23
	L. Pili	Nil
	V.V. Stokhwe	Nil
	M. Telile	Nil
	A.M. Van Zyl	Nil
	M. Yiliwe	Nil
Municipal Manager	Z.A. Williams	1) Amaqadi Trust IT00123/2018(B), 2) Zanempilo Nutrition Farms, 3) The Morning Sun Ranch
Chief Financial Officer	S. Du Toit	Nil

Deputy MM and (Executive) Directors		
Other S57 Officials	N. Mshumi	Nil
	Adv. H.Z. Jantjie	Nil
	R. Fortuin	Nil
	M. Nonjola	Nil
	F.J. Sephton	1) Jointly own a house with Janet Viedge 2) Shares with STX40 3) Shares with ASHT40



## APPENDIX F: THIRD TIER MANAGEMENT STRUCTURE

Third Tier Structure	
Directorate	Manager
Office Of The Municipal Manager	Manager Socio Economic Development: Vacant
	Manager Mainstreaming: Mr MP Dyantyi
	Manager Strategy Compliance Governance & Internal Audit: Mr N. Wobiya
	Manager: IDP Monitoring Evaluation & Compliance: Mr T Phintshane
Institutional Support And Development	Manager Communications Marketing, Media & Public Relations: Mr G Gceya
	IT/ Infrastructure Support Manager: Mr. L Gush
	International & Inter-Governmental Relations Coordinator: Vacant
Community Services	Municipal Health Services: Mr M Saule
	Manager Water Services Authority: Mr S Pongoma
	Manager: Disaster Risk Management, Fire And Rescue Services: Mr Moko
	Manager Natural Resource Management (Agency Function): Rob Scholtz
Water Services Provision	Manager WSP: Mr D Lusawana
Technical Services	Manager: Roads & Transport Engineering: Mr L Labuschagnie
	PMU: Manager: Mr L Wana
Corporate Services	Manager Auxiliary Services & Council Support: M L Matyesini
	Manager Human Resources & Labour Relations: Mr S Botha
	Manager Skills /Equity / Training & Career Development: Ms N Nelani
	Manager Legal Services: Ms N Libazi
	Manager It: Mr L Gush
Finance	Manager Budget & Compliance: Mr C Samuels
	Manager Expenditure: Ms T Nqongqwana
	Manager Supply Chain Management: Ms M Mlotywa
	Technical Expert: Vacant
	Manager: Revenue: Vacant

## APPENDIX G: MUNICIPAL FUNCTIONS

The District shares the responsibility on tourism, planning, and fire fighting with its local municipalities. Additional powers and functions are allocated to the District municipality through service level agreements such as the roads function in which there is an active agreement between the Department of Roads and Transport with the District Municipality whereby the District maintains gravel roads in the Former Gariep and Former Maletswai areas.

FUNCTION	Joe Gqabi	Elundini	Walter Sisulu	Senqu
Air pollution	No	Yes	Yes	Yes
Building regulations	No	Yes	Yes	Yes
Child Care facilities	No	Yes	Yes	Yes
Electricity reticulation	No	LM/ESKOM	LM/ESKOM	LM/ESKOM
Fire Fighting	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes
Municipal airports	No	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes
Municipal Health Services	Yes	No	No	No
Municipal Public Transport	Regulation	Yes	Yes	Yes
Pontoons and Ferries	No	No	No	No
Storm water	No	Yes	Yes	Yes
Trading regulations	No	Yes	Yes	Yes
Water (potable)	Yes			
Sanitation	Yes			
Schedule 5 part b				
Beaches and amusement facilities		NO	NO	NO
Billboards and the display of adverts in public places		Yes	Yes	Yes
Cemeteries, Crematoria and funeral parlours		Yes	Yes	Yes
Cleansing		Yes	Yes	Yes
Control of public nuisances		Yes	Yes	Yes
Control of undertakings that sell liquor to the public		Yes	Yes	Yes
Facilities for the accommodation, care and burial of animals		Yes	Yes	Yes

Fencing and fences		Yes	Yes	Yes
Licensing of dogs		Yes	Yes	Yes
Licensing and control of undertakings that sell food to the public		Yes	Yes	Yes
Local amenities		Yes	Yes	Yes
Local sport facilities		Yes	Yes	Yes
Markets		Yes	Yes	Yes
Municipal abattoirs		Yes	Yes	Yes
Municipal parks and recreation		Yes	Yes	Yes
Municipal roads	Yes	Yes	Yes	Yes
Noise pollution		Yes	Yes	Yes
Pounds		Yes	Yes	Yes
Public places		Yes	Yes	
Refuse removal, refuse dumps and solid waste disposal		Yes	Yes	Yes
Street trading		Yes	Yes	Yes
Street lighting		Yes	Yes	Yes
Traffic and parking		Yes	Yes	yes
Licensing of vehicles		Yes	Yes	Yes
Primary Health Care	No	No	No	No
Road maintenance	Yes (Agency function)			
Libraries		Yes	Yes	Yes

## APPENDIX H: TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/19 FY

Asset 1			
Name	Iveco Daily		
Description	Iveco daily		
Asset Type	Fire Engine		
Key Staff Involved	Fire and Disaster Services		
Asset Value	R747 500,00		
Capital Implications	Asset has been capitals as movable asset		
Future Purpose of Asset	Render services to the communities of JGDM		
Describe Key Issues	None		
Policies in Place to Manage Asset	Yes		
Asset 2			
Name	Extras cafs body		
Description	Extras cafs body		
Asset Type	Fire Engine		
Key Staff Involved	Fire and Disaster Services		
Asset Value	R 556 882,61		
Capital Implications	Asset has been capitals as movable asset		
Future Purpose of Asset	render services to the communities of JGDM		
Describe Key Issues	None		
Policies in Place to Manage Asset	Yes		
Asset 3			
Name	Laptop		
Description	Laptop		
Asset Type	Computer Equipment		
Key Staff Involved	Information Technology		
Asset Value	R24 719,00		
Capital Implications	Asset has been capitals as movable asset		
Future Purpose of Asset	To be used by JGDM employees		
Describe Key Issues	None		
Policies in Place to Manage Asset	Yes		

**APPENDIX I: LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING 2018/19 FY)**

					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
MXT Construction	Supply and Delivery of Washing Throughs or Basins as and when required	01/07/2018	30/06/2021	Mr J Germishuizen	Rates Based
Ballenden Robb SA (Pty) Ltd	Electrical Certificate of compliance testing (CoC) for Joe Gqabi District Municipality Properties	01/05/2019	30/04/2022	Mr S. Scharnick	Rates Based
Celeba cc t/a TyreMart Aliwal North	Supply and Delivery of Tyres, Tubes and Flaps	01/06/2019	31/05/2022	Mr U. Rozani	Rates Based

## APPENDIX J: COGTA-EC INDICATORS

Organisational Transformation and Institutional Development					
	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the FY under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	1022	828	78.8%	EEP plan sets to achieve the target over a period of five years due to budget implications.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	8	100%	None.
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	8	8	100%	None
4	Percentage of Managers in Technical Services with a professional qualification	1	1	100%	None
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	3	3	100%	None
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100%	100%	100%	None
9	Percentage of councillors who attended a skill development training	100%	100%	100%	None

	within the current 5 year term				
10	Percentage of staff complement with disability	961	6	0.006	Recruitment process encourages people with disabilities to apply
11	Percentage of female employees	961	244	25%	Employment Equity Plan is being implemented.
12	Percentage of employees that are aged 35 or younger	961	209	22%	None

Basic Service delivery performance highlights						
	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	200	15217	0	0	There were no new connections
2	Percentage of indigent households with access to free basic potable water	15 626	0	15 626	15 626	100% (of registered indigents)
4	Percentage of clinics with access to potable water	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to potable water	N/A	N/A	N/A	N/A	N/A
6	Percentage of households	590	0	590	590	100%

	using buckets					
--	---------------	--	--	--	--	--

#### Sanitation Service delivery performance highlights

	Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review	Number of HH/ customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	2000	12364	2000	5493	100%
2	Percentage of indigent households with access to free basic sanitation services	15626	0	15626	15626	100% (of registered indigents)
4	Percentage of clinics with access to sanitation services	0	0	0	0	There no new connections
5	Percentage of schools with access to sanitation services	0	0	0	0	There no new connections

#### LED performance highlights

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	5620000	413173640	73.5%
2	Number of LED stakeholder forum held	8	6	75%
3	Percentage of SMME that have benefited from a SMME support program	40	36	90%
4	Number of job opportunities created through EPWP	2050	920	45%
5	Number of job opportunities created through PPP	N/A	N/A	N/A



<b>Financial viability and Management performance highlights</b>				
	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	241934	17680	7%
2	Salary budget as a percentage of the total operational budget	608824	226046	37%
3	Trade creditors as a percentage of total actual revenue	14424	14717	54.9%
4	Total municipal own revenue as a percentage of the total actual Revenue	26241	14717	56%
5	Rate of municipal consumer debt reduction			-26.67%
6	Percentage of MIG budget appropriately spent	R151 815 279	R153 873 622.15	101%
7	Percentage of MSIG budget appropriately spent	R0	R0	There were no allocation in the year under review
8	Functionality of the Audit Committee	5	5	100%
9	Submission of AFS after the of financial year	31 August 2019	31 August 2019	100%

<b>Good Governance and Public Participation performance highlights</b>			
No	Indicator name		
1	% of ward committees established	N/A	N/A
2	% of ward committees that are functional	N/A	N/A
3	Existence of an effective system to monitor CDWs	N/A	N/A
4	Existence of an IGR strategy	Adopted	Yes
5	Effective of IGR structural meetings	Yes	Yes
6	Existence of an effective communication strategy	Adopted	Yes
7	Number of mayoral <i>iimbizo</i> conducted	3	100%
8	Existence of a fraud prevention mechanism	Adopted	Yes

---

## **APPENDIX K: CAPITAL PROJECTS PERFORMANCE**

[NB: This information is part of the Annual Performance Report. Please see appendix A]

## Volume II

This Volume contains Audited Consolidated Annual Financial Statements.

***NB: All Financial Information and Non Financial Information is not available as the Auditor General has not finalised the audit for the 2018/19 financial year. Please see appendix A.***